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RELATIVE APPEAL RANKING AND ADVISORY ISSUE

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GENERAL GROWTH'S MOVE TO GO PRIVATE MAKES PROPERTY TRUSTS HIGH ON YOUR BUY LISTS

For months now we've been pointing out the enormous disparity between market value of real estate stocks and the market value of their underlying properties. The real estate market, fueled by a flood of foreign and tax-motivated buyers, has been willing to pay extremely high prices by historical standards, for property simply to own a much prized asset, U.S. real estate. That property is generally supposed to provide a superior inflation hedge because of this country's stable economic and political climate.

But stocks of companies owning this same type of real estate have lagged on Wall Street for many reasons, mainly the difficulty investors have in understanding the underlying values under accounting rules designed to give the most conservative view of value and earnings.

This impelled several large companies -- Tishman Realty and Monumental Properties -- to liquidate or go private because investors didn't give them a high enough multiple to make it worthwhile to stay public.

Now General Growth Properties, by all odds the most successful REIT by a wide margin, has surprised everyone by seeking to go private also. This time the problem

isn't price (GGP has always sold far above book value) but appears more related to the fact that principal shareholders see the risks of real estate development rising sharply and have no desire to heap that load upon public shareholders.

Specifically, Martin and Matthew Bucksbaum, whose families own directly or indirectly about 15% of GGP's shares, are proposing to buy all other public shares at either \$28 cash or \$30 in promissory notes designed to qualify for installment sale treatment for Federal income tax purposes.

GGP's trustees will investigate the proposal, including hiring an independent investment banking firm to advise them, and take action. Completion of the offer depends upon numerous actions, including obtaining of financing, completion of a definitive merger agreement, approval by GGP shareholders, and processing of an offering circular to make the offer.

Realistically we expect those actions to be completed, because shareholders have approved breaking up of several other real estate companies the past two years. For example, Monumental Properties Trust was carved out of life insurance holding company Monumental Corp. to liquidate the shopping center and apartment holdings of that company. And stock market action has been very favorable to the break-up

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so far.

Early this year, Monumental Corp. traded between 16-3/4 and 21. Today the shares still trade about 20 1/2 — but holders also received a unit in the liquidating trust now selling for 39 1/4. In other words, holders tripled their money because the stock market will pay up for real estate dead as a stock if it thinks it will get a big payoff fairly quickly.

News of the GGP proposal now should focus your attention on shares of other property trusts with good quality assets suitable for a liquidation, either as a management or third-party proposal.

Already there's been strong market interest in some candidates: B.F. Saul REIT and Canal Randolph, an operating real estate company, were strong NYSE gainers following the GGP news. San Francisco Real Estate was a standout on the ASE.

But many other trusts fit into the general category so we've upgraded several. One word of caution: nothing may happen for many of these trusts for months or years, because we're entering an adverse money market cycle. So financing any deals will be very difficult. But there's some evidence that stocks in general can get a higher multiple and if that's true, then these trusts should be satisfying even if no spectacular develops.

RELATIVE APPEAL RANKING CHANGES STRESS WELL POSITIONED PROPERTY TRUSTS

We've upgraded 17 trusts this issue because market conditions appear ripe for some major changes during 1979. Now is the time to get positioned, especially if year-end tax selling moves prices down.

In line with the strategy above, ten property trusts are moved to No. 1 ranking. Nearly all have been ranked No. 2—above average so you may already hold positions. All are property trusts, although some have small mortgage holdings. Their properties appear to be the types that could be sold readily and market prices don't appear to discount potentials. They are:

BankAmerica Realty; Continental Illinois Properties; Federal Realty; First Union RE; Florida Gulf Realty; GREIT Realty; Investors Realty; Henry S. Miller Realty; New Plan Realty; Pennsylvania REIT.

Moved to No. 2 because of less-compelling fundamentals or price moves already are Baird & Warner Mtg., Franklin Realty, Growth Realty, and B.F. Saul REIT.

Some of these trusts are already active in the deal market: Federal Realty seeks to acquire a string of shopping centers from liquidating Amterre Devel.; Investors Realty seeks Summit Props. (below). A new manager has taken over as president of GREIT and could change that situation. Insiders have been buying B.F. Saul and now State Farm Insurance has bought a big block. Wall Street's Icahn & Co. has bought a block in Baird & Warner. Where there's smoke, there's fire.

Other changes: American Realty to 3N on a debt restructuring; Cousins Mtg. on a price decline; Builders Inv. and First Newport on improving operations.

MERGERS/ACQUISITIONS: INVESTORS REALTY AGREES TO ACQUIRE SUMMIT PROPERTIES IN SHARE SWAP

Investors Realty of Atlanta has agreed to issue up to 850,532 sh. to acquire all shares of Summit Properties, based in Akron. The exchange would work out to about 0.55 sh. IRT with market value of about \$4.25 for Summit shares trading at 3 1/4 bid, 4 1/4 asked. About 106,076 sh. would be put in escrow against settlement of two court actions against Summit.

TENDERS/EXCHANGES: GRM PROPERTIES AND INSTITUTIONAL INVESTORS MAKE OFFERS

These two trusts have begun long-pending offers to exchange new debentures for old ones coming due in a few years. Terms of both are shown in their Ranking entry.

RELATIVE APPEAL RANKINGS ADDS QUARTERLY EARNINGS TABLES

We've added quarterly earnings tables to each Ranking entry to let you follow trusts easier. And we show both Earnings and Net Cash Flow (as EPS/CFS) if relevant.

RELATIVE APPEAL RANKINGS AND LATEST RESULTS

Relative Appeal (RA) Rankings, shown at extreme left, give Audit Investment Research's current view of relative attractiveness of new share purchases. All trusts are ranked from No. 1 to 5 based on individual dividend and earnings outlook compared to the overall market. Non-dividend paying trusts are shown with an "N" beside their rankings. Each summary contains brief advice and comment. Changes in rankings are indicated by ↑ UP and ↓ DOWN. Relative Appeal Rankings mean:

- 1--Highest appeal with lowest market risk; Dividend and earnings outlook stable to up.
- 2--Above average appeal, higher market risk; Dividend increases or resumption possible.
- 3--Average appeal and market risk; Dividend fluctuates or resumption possible long-term.
- 4--Below average appeal, high market risk; Dividend cuts or omissions possible.
- 5--Least general appeal; Special problems suitable for sophisticated investors only.

NON-DIVIDEND PAYING trusts are not recommended for income investors but may have trading appeal as speculations upon quick or large price moves on asset swaps, money market or other news.

All numbers are amounts per share except those denoted "M" or "T" for million and thousands respectively. E or Est.=Estimates for current or next years. EPS=Earnings per share. CFS=Net cash flow per share as computed by Audit Inv. Res. d=Deficit. Data, rankings and advice reviewed bimonthly. See footnotes at end of Rankings on Page 16.

3N-ALAMAND CORP: \$2.13 (ALAM-OTC) Comment:

Spec. on diversification; now at break-even. (Shs: 1355T; Book 62c). Converts: ↓ Spec. yield. Intangibles: Loss res.\$6.52; Taxloss:\$14.76. Assets: \$51M, 40% non-earn; 70% forecl; Mix: 20% land, 19% apts. Financing: \$38M debt is 47X \$0.8M net equity; \$26M bank debt to 12/78 accruing at 125%/prime; 1% prime rate rise costs about 4c/sh. qtr. Recent

EPS:	Oct.	Jan.	Apr.	July	Year
FY'78..	d6c	25c	22c	2c	43ca

a-Incl. 69c swap gains, taxloss benefits & interest forgiveness.

(NON-QUAL CORP; Self-adm.)

3N-AMER CENT: \$3.00 (ACT-NYS) Comment: Hold,

recovery & improving props. (Shs: 2677T, Book \$5.29). Bonds: Speculative yield. Intangibles: Loss res.\$5.99; Taxloss:\$8.94. Assets: \$103M, 18% non, 37% low-earn; 70% forecl.; Mix: 33% office, 19% hotel, most Wash.D.C. Financing: \$75M debt is 5.6X \$14M equity. \$56M bank debt extended to 12/81 @ prime to 10% maximum. Recent

EPS:	Sept.	Dec.	Mar.	June	Year
FY'78..	d19c	d13c	d7c	9ca	d28ca
FY'79..	d7c				

a-Incl. 9c asset swaps.

Higher interest may widen FY'79 loss.
(CAN END REIT: Life co. advisor)

5N-AMER FLETCHER: \$1.75 (AFM-OTC) Comment:

No auditor's opinion '78; Boosted book but still risky. (Sh: 1352T; Book 31c). Intangibles: Loss res.\$12.20; Taxloss:\$15.50. Assets: \$48M, 82% nonearn; 71% forecl. Mix: 48% land/dev., heavy Fla. Financing: \$28M bank debt is 68X \$0.4M equity. Repaying banks & debt extended to 11/30/78 for new pact; accruing 6% inter. & swaps. EPS:

Apr.	July	Oct.	Jan.	Year
FY'78	d74c	d66c	d69c	1.06a
FY'79	67cb	42cb		

a-89c interest forgiveness. b- Asset swaps & NOL totaling \$1.76 in 6 mos.
(NON-QUAL TRUST: Indiana bank advisor)

3N-AMER REALTY: \$1.88 (ARB-OTC) Comment: Re-

↑ recovery or buyout. (Sh: 2222T; Book \$3.37) Bonds: Missed 5/78 int. on 7% converts & seeking permission to pay. Intangibles: Depr.\$3.62; Loss Res: 52c; Taxloss: \$3.55. Assets: \$40M, 36½% nonearn. Mix: 74% prop. incl. 40% hotels Wash.D.C. area, 29% land. Financing: \$28½M debt is 3.8X \$7½M equity; Converted \$4.8M demand debt to mtg; Remaining \$4M being restructured. Interest exposure now low. Earnings: June Q 3c. Sept. Q to incl. 48c asset sale gain. (FY Sept.; NON-QUAL TRUST: Self-administered)

3N-API TRUST: \$2.50 (APITS-OTC) Comment: Selling

assets to pay debt; recovery spec.; Investor sold 19%. (Sh: 1012T, Book \$7.30) Intangibles: Loss res: \$3.76; Taxloss NR. Assets: \$40M, E18% nonearn. Mix: 53% prop, most shop. ctrs; 11% financing leases, 36% mtgs. Sold 7 shop. ctrs., to sell 10 more. Financing: \$28M debt is 3.8X \$7.4M equity; Debt is \$19M mtgs. & \$8.6M bank debt. EPS:

June	Sept.	Dec.	Mar.	Year
FY'78	3c	d7c	d47c	d55c
FY'79	32cb			

a-Incl. 65c loss on asset sales. b-32c gains on asset sales.

(Advised by Sub. of Arlen Realty)

2N-ATLANTA NAT: \$42.5 (ATNAS-OTC) Comment:

Still room at 53% below book; Group w/17% took board seats in Oct. (Sh: 1273T, Book \$8.99) Intangibles: Loss res: \$3.93; Taxloss \$7.86. Assets: \$24M, 52% nonearn, 34% forc., rest mtgs. Mix: 26% apts., 16% land, 17% condo; 34% TX, 36% Fla. Financing: \$6M debt (all bank) is 0.5X \$11½M equity; Bank debt at 115% of prime; Assets pledged.

EPS:

Nov.	Feb.	May	Aug.	Year
FY'78	d12c	d4c	24ca	d1c
				6ca

a-Incl. 11c inter. reversal & 2c taxloss.

Est: Small profit FY'79. (NON-QUAL TRUST; Atlanta mtg. banker adviser)

2N-BAIRD & WAR: \$7.25 (BAIDS-OTC) Comment: Div.

↑ omitted but hold for recovery to book. Broker

bought 11% of sh. (Sh: 1043T, Book \$15.86) Converts: LT yield. Intangibles: Loss res. \$2.88; Depr. \$1.17. Assets: \$49M, 24% non-earn, 7% forecl. Making new commitments. Mix: 37% investment prop, mostly apts., & 53% const. loans; Most near Chicago. Financing: \$30M debt is 1.8X \$16½M equity; Borrows \$16M at prime under \$28M bank lines; 1% prime rise = 4¢/sh. per qtr.

EPS:	Oct.	Jan.	Apr.	July	Year
FY'77	d3¢	d59¢	d8¢	d23¢a	d93¢a
FY'78	d1¢				

a-Incl. 5¢ asset sale gains.

Est. FY'79 better. (Chgo. mtg. banker adv.)

1 -BANKAMER RL: \$11.13 (BRLTS-OTC) Comment: Buy/hold for 34% recovery to book. (Sh: 3547T, Book \$16.92) Converts: Yield. Intangibles: Loss res. 97¢; Depr. 86¢. Assets: \$168M, 18% nonearn. Mix: 38% prop, 26% apts, 32% shop.ctr. Combines land/lease & LT mtgs. Financing: \$110M debt is 1.8X \$60M equity. Debt: \$46M comcl. paper, 142M bank short.

EPS:	Oct.	Jan.	Apr.	July	Year
FY'78	1.41a	18¢	31¢	37¢	2.27a
FY'79	32¢				E1.00+

a-Incl. \$1.46 gain on asset sale.

Div. Oct. Q 25¢; \$1.00 ann. rate; '78 pay-out 78% cap. gain. (Advised by sub. of largest U.S. bank)

3N-BARNES MTG: \$2.00 (BARN-OTC) Comment: Average recovery spec.; book eroding by high costs of selling condos. (Sh: 1910T, Book \$11.10) Intangibles: Loss res:\$1.26; Taxloss \$6.60. Assets: \$76M, 75% nonearn, 45% forc1. Mix: 43% condos, 18% land/constr.; 44% Fla., 33% Puerto Rico. Financing: \$52M debt (all bank) is 2.5X \$21M equity. Debt at 125% of prime to 12/80; Missed repayments & talking.

EPS:	Dec.	Mar.	June	Sept.	Year
FY'77	d31¢	d26¢	d30¢	d60¢	d1.47
FY'78	d19¢a	d20¢a	d23¢a		

a-Incl. 62¢ asset sale gains + 21¢ swap gains in 9 mo. to June.

See more losses. (NON-QUAL TRUST; Detroit mtg. banker adviser)

2N-BARNETT-WIN: \$1.13 (BWITS-OTC) Comment: New name: Compass Inv.; Bonds restructured but sh. high-risk spec.; Large potential dilution. (Sh: 1663T out; Book \$5.43) Intangibles: Loss res. \$4.64; Taxloss\$11.35 on sh. out. Assets: \$44M, 66% nonearn, 56% forc1. Mix: 38% apts., 31% land, most Fla. & Ga. Financing: \$40M debt over d\$0.5M tangible neg. equity(6/78); Repaid all bank debt in Aug.'78. 8½% Bonds: Paying back interest; \$18.1M convt. into 13,413T sh. at \$1.35 after 12/78 adjustment.

EPS:	Dec.	Mar.	June	Sept.	Year
FY'78	3¢	d77¢	55¢a	2.99a	3.40a

a-Incl. \$2.48 asset swap gains; EPS on primary sh.; Yr. \$2.99 diluted.

(NON-QUAL TRUST: Self-administered)

2N-BAY COLONY: \$3.75 (BAY-NYSE) Comment: Long-term recovery spec.; Sold \$59M assets in Nov. Q. (Sh: 3315T, Book \$6.16) Bonds: Hold. Intangibles: Loss res.\$6.08; Taxloss \$8.20. Assets: E\$143M, 59% non-earn after sale. 57% forecl.; Mix: 38% apts., 31% land; Financing: \$166M debt is 8.2X \$20M equity. In June'78 restructured bank debt into \$23M at 3% due 2/81 & \$68M at 8½% due 5/86.

EPS:	Aug.	Nov.	Feb.	May	Year
FY'78	d1¢	d7¢	7¢	d7¢	d8¢a
FY'79	7¢b				

a-18¢ swap gains; b-26¢ asset sale gain.

Nov. Q to incl. 55¢ asset sale gain. (NON-QUAL TRUST: Self-administered)

3N-BRT RLTY: \$1.50 (BRT-ASE) Comment: Long recovery, limited interest. (Sh: 1400T, Book \$2.70) Intangibles: Loss res.\$2.49; Tax-loss \$2.72. Assets: \$22M, 71% nonearn; 44% hotel. Financing: \$15M debt is 4.0X \$3.8M equity. \$9M bank debt ½% over prime to 7/81.

EPS:	Feb.	May	Aug.	Nov.	Year
FY'78	d5¢	26¢	31¢		

(NJ realty broker adviser)

3N-BT MTG INV: \$1.38 (BTM-NYS) Comment: Spec. on more swap gains. (Sh: 2116T, Book d\$2.94) Bonds: Risky hope assets recover by '82. Intangibles: Loss res.\$9.58; Taxloss\$7.04. Assets: \$124M, 68% nonearn, 35% foreclosed. Mix: 31% apts., 14% land, 10% nursing home. Financing: \$109M debt over d\$6M neg. equity. \$90M bank credit expired 11/30 & seeking extension; Paying 6%; Sponsor lends 55% of credit.

EPS:	Dec.	Mar.	June	Sept.	Year
FY'77	0¢	d21¢	d26¢	d31¢	d78¢a
FY'78	d5¢b	31¢b	d14¢b		

a-15¢ asset sale gains. b-84¢ asset swap gains + 26¢ asset sale gains in 9 mos.

(CAN END REIT: Advised by sub. of Bankers Trust, NYC bank)

4N-BUILDERS INV: \$2.13 (BULDS-OTC) Comment: For believers; long recovery. (Sh: 2929T, Book 23¢) Intangibles: Loss res. \$13.83; Taxloss \$12.12. Assets: \$193M, 54% non, 27% lowearn; 29% condos, 24% land. Financing: \$150M debt is 213X \$0.7M net equity. \$110M bank debt at 2% to 9/79; 3% & higher after to '83. Assets pledged; Seeks stretch of '79 repayments & will swap more assets. Earnings: June Q d39¢. (FY Sept.; NON-QUAL TRUST; Self-adm.)

2N-CAMERON-BR: \$2.63 (CB-NYSE) Comment: Trading or LT recovery spec.; Clean balance sheet & 63% below book; Asset swaps may halt bleeding. (Sh: 2016T, Book \$7.14) Intangibles: Loss res. \$6.09; Taxloss \$2.38. Assets: \$84M, 50% non- & 31% low-earn; 71% forc1. Mostly resid. in Southeast; 35% apts., 30¢ land & devel. Financing: \$61M debt is 4.3X \$14M equity; \$53M bank debt at 3% or net income to 12/79; No sub. debt; \$7M interest notes.

EPS:	Mar.	June	Sept.	Dec.	Year
1977	d34¢	d33¢	d38¢	d48¢	d1.58
1978	d25¢a	d11¢a	9¢a		

a-Incl. 1.49/sh. swap gains thru Sept.

Sold apt. in Oct. for 55¢ gain & cut bank debt to \$47M. (NON-QUAL TRUST: Advised by N. Carolina bank.)

3N-CAPITAL MTG: 75¢ (CMU-PH) Comment: Trading/recovery. Seeking merger. (Sh: 1675T common, Book d\$1.27) Pfd.: 420T sh. issued to banks. Converts: Spec. yld. Intangibles: Loss res. \$10.75; Taxloss \$13.01. Assets: \$60M, 53% nonearn, 42% forecl. Mix: 36% land (being developed), 19% hotel/motel, 29% LT mtgs. 55% Wash.D.C. area. Finances: \$46½M debt over d\$2M net equity; \$32M bank debt at 1% to 12/31/78, 3% after;

EPS:	Mar.	June	Sept.	Dec.	Year
1977	d79¢	40¢	d1.78	11¢	d2.06a
1978	49¢a	d55¢a	d1¢b		

a-Swap gains: \$1.52 in '77; \$1.05 in '78 to date. b-Sale gains: 21¢ to date '78. (NON-QUAL TRUST; Independent)

2N-CENTRAL MI: \$5.13 (CMRTS-OTC) Comment: Buy/hold at 60% below book; operating breakeven & selling land; Rejected one merger overture but still buyout. (Sh: 775T, Book \$12.81) Intangibles: Loss res. \$1.03. Assets: \$17M, 22% non- & 18% low-earn; 34% forecl. 38% apts., 31% land; most Midwest. Financing: \$7M debt (93% bank) is 0.7X \$10M equity. \$9M bank credit to 4/79 at 117% of prime permits new loans; No subor.

EPS:	June	Sept.	Dec.	Mar.	Year
FY'78	d39¢	d15¢	4¢	3¢	d47¢
FY'79	26¢a	54¢a			

a-Incl. 54¢ asset sale gains in 6 mo. (Advised by Minneapolis mtg. banker)

5N-CHASE MAN: 75¢ (CMR-OTC) Comment: Avoid, Massive dilution under proposed CH. XI plan or long court battle. (Sh: 4886T, Bk d\$5.15) Bankruptcy: To seek subor. debt approval of Ch. XI plan to exchange new Ser. A pfd. w/ \$33 liquidating value per \$50 face amt. of subor. debt & convt. into 27 sh. or potential 38.9M new sh. Would repay defaulted 7-7/8% sr. notes at par & swap assets for \$150M bank debt, issuing 4.9M new sh. to banks. New voting lineup: Subor. debt 80%; banks 10%; current shares 10%. Filing proxy & expects vote early 1979. If Oked, trust would keep 2,700-acre Palmas del Mar resort in Puerto Rico & 3 other assets w/ \$48M value (or \$1/sh. on potential sh.) Intangibles on current sh.: Taxloss \$8.90; Loss res. \$5.59.

EPS:	Aug.	Nov.	Feb.	May	Year
FY'78	39¢	d1.69	d1.37	d1.26	d3.93a
FY'79	d97b				

a-Incl. \$1.83 swap & extra gains. b-16¢ asset sale gains.

(NON-QUAL; Sponsor Chase Bank walking)

4N-CI MTG GR: \$2.88 (CI-PH) Comment: Trading spec. on banks restoring positive equity by completing pending swaps; else bankruptcy. (Sh: 4812T, Book d\$3.32) Intan-

gibles: Loss res. \$9.30; Taxloss p\$5.00. Assets: \$244M, 84% nonearn, 60% forecl. 48% apts., most Northeast. Financing: \$229M debt over d\$16M neg. equity. \$222M bank debt & inter. notes accruing at 5% to 10/82, contingent on \$100M prin. payment via swaps & positive net worth; received \$156.7M swap bids in Sept. for \$100M net book value of assets. No auditor's opinion '77.

EPS:	Jan.	Apr.	July	Oct.	Year
FY'77	23¢a	d31¢	d39¢	d1.50	d1.97a
FY'78	d35¢	d24¢	d23¢		

a-49¢ asset swap & taxloss gain.

(NON-QUAL; advised by sub. of City Investing)

2 -CI REALTY: \$11.80 (CIX-NYSE) Comment: Re-summed dividend at 10¢; Merger and/or liquidation spec. on improving NYC offices; 12% of stock bought by outsiders (Tamco) & 15.6% by adviser. (Sh. 2609T, Book \$16.58) Intangibles: Depr. \$5.06; Taxloss \$2.53. Assets: \$103M, 4% nonearn; 93% props. Mix: 48% NYC offices, 41% apts. Financing: \$67M mtg. debt is 1.6X \$43M equity. Mortgaged offices & repaid banks. No int. rate exposure. EPS/CFS May Aug. Nov. Feb. Year

FY'78	d14/+2¢	d13/+2	d8/+7	13/27a	d22/38a
FY'79	d8/+8	d9/+12			

a-Incl. 23¢ prop. sales gain.

(NON-QUAL: Advised by sub. of City Investing)

NR-CITINAT DEV: \$7.75 (OTC) Comment: Intends to dispose of assets and distribute proceeds to shareholders. (Sh: 600T, Book \$13.33)

3N-CIT & SO RL: \$1.00 (CZS-NYSE) Comment: Recovery spec.; swaps & restructuring gave positive equity. (Sh: 3829T, Book \$1.89; 3597T reserved for wts.) Intangibles: Loss res. \$8.75; Taxloss \$17.41. Assets: \$179M, 32% nonearn; Swapped \$75M to banks. Mix: 26% apts., 17% land, 17% shop. ctrs.; 36% GA, 24% FL. Financing: Swaps cut bank debt to \$76.6M at Sept.30 over positive equity; Bank credit at 1% cash inter. to 9/82.

EPS:	Sept.	Dec.	Mar.	June	Year
FY'78	d3¢	16¢	d20¢	d21¢	33¢b
FY'79	1.77a				

a-After \$1.86 swap gains. b-After 45¢ swap gains; Quarterly figures do not add. All share amts. on primary shares, which vary widely with market price.

(NON-QUAL: Adv. by largest Atlanta bank)

3N-CIT GROWTH: \$3.25 (CITGS-OTC) Comment: Hold for moderate recovery; Broker group now owns 23% of sh. (Sh: 811T, Book \$6.82) Intangibles: Loss res.\$2.22; Taxloss \$7.68. Assets: \$8M, 55% nonearn, 24% foreclosed. Mix: Heaviest motels & land. Financing: \$2.2M debt is 0.4X \$5.5M equity. \$1.2M bank credit to 7/80 at 5%; Assets pledged & swapping. Earnings: July Q 7¢ after special items. (FY Jan.; NON-QUAL; Adv. by independent Cleveland group)

5N-CITIZENS MI: 15¢ (CZM-OTC) Comment: Avoid;

in Ch. X. (Sh: 1421T, Book d\$17.02) Notes: 8½% of '80 sophisticated play on possible ruling that sponsor must pay in full; otherwise not much left if banks get full payment under Ch. X "absolute priority" rule. Bankruptcy: Filed Ch. X Oct. 5, 1978 after note trustee Chemical Bank called 8½% notes; 8½% were in default since 10/15/76.

EPS: Mar. June Sept. Dec. Year
1978 d56¢ d45¢

No auditor's opinion '77. Intangibles: Loss res. \$14.93; Taxloss \$11.68. (NON-QUAL TRUST: Advised by Detroit mtg. banker sub. of Manufacturers Hanover, NYC bank)

2N-CLEVETRUST: \$4.13 (CTRIS-OTC) Comment: Buy/hold long-term recovery; No inter. exposure; See 44¢ gain on land sale in Sept. (Sh: 2525T, Book \$10.38) Intangibles: Loss res. \$3.04; Depr. \$1.80; Taxloss \$3.52. Assets: \$91M, 44% non, 15% low-earn; 55% forecl. Mix: 69% props. incl. forecl; 27% apts., 27% comcl., 18% land. Financing: \$57M debt is 2.2X \$26M equity. \$33M bank debt to 12/78 at prime, not over 7½%.

EPS: Dec. Mar. June Sept. Year
FY'77 d18¢ d14¢ d20¢ d69¢ d1.20
FY'78 d1¢a 73¢a d17¢

a-\$1.03 asset sales gains & 47¢ taxloss benefits in 9 mos. to June.

(NON-QUAL TRUST: Adv. by Cleveland bank sub.)

2N-COLWELL MTG: \$1.88 (CLMTS-OTC) Comment: Buy/hold for moderate LT recovery; New pfd. favored, has \$7.50 liquidate value. (Sh: 2030T com.+ 2149T pfd., Book \$2.90 combined) Bankruptcy: Pre-approved Ch. XI approved Apr. '78 paying cash & pfd. for old subor. debt; Banks get 8% inter. & asset pledge. Intangibles on total sh: Loss res. \$4.56; Taxloss \$7.90. Assets: \$124M, 24% non-, 18% low-earn; 41% foreclosed & refinance; 35% apts., 19% hotel/motel, 21% shop.ctr. Financing: \$97M debt is 8.0X combined \$12M equity. \$95M secured bank debt @ 8%.

EPS: Mar. June Sept. Dec. Year
1978 d25¢ 6.12a d20¢

a-Incl. \$5.92 gain on bankruptcy stlmt. Est: Elimination of subor. debt interest to aid results. (Adv. by LA mtg. banker)

1 -CONN GEN: \$18.75 (CGM-NYSE) Comment: Buy/hold long-term for equity buildup. (Sh: 5720T, Book \$18.86) Converts: Safe yld. Intangibles: Loss res. 92¢; Deprec. \$1.61. Assets: \$330M, 3% non-, 10% low-earn; 5% foreclosed; Expanding properties, now 41%. Mix: 37% regional shop.ctr., 31% resid. Financing: \$225M debt is 2.1X \$108M equity. Only \$2M short-term debt; \$90M term debt mostly at 8.75%, plus \$56M mtgs; \$78M convt. EPS/CFS: June Sept. Dec. Mar.
FY'78 46/55¢ 39/52¢ 32/44¢ 33/44¢
FY'79 30/50¢a 29/52¢a Yr: E1.30/2.00
a-Asset sale gains: 6¢ in June; 6¢ Sept. Div: Sept. Q 45¢, up 13% to \$1.80 ann. rate. (Major lifeins. co. adviser)

4 -CONSOL CAP: \$27.50 (CCPLS-OTC) Comment: For speculative income, over book; '77 div. 25% cap. gains & 75% taxfree cap. return. (Sh: 1989T, Book \$17.29) Intangibles: Deprec. \$7.46. Assets: \$130M, all properties, 0.8% nonoperating. Mix: 82% apts. w/8,440 units; 16% shop. ctrs.; 51% Texas. Financing: \$94M debt is 2.7X \$34M equity. Debt: \$92M secured mtgs., \$2.3M bank.

EPS/CFS Feb. May Aug. Nov.
FY'78 d24/29¢ d9/45¢ 93/1.44a d7¢/45¢
FY'79 3/56¢a d7/42¢ d19/31¢

a-Asset sale gains: \$1.20 Aug '77; 6¢ Feb '78.

Div: Nov. mon. 17.17¢ or \$2.06 ann rate. (Managed by Oakland, Cal. realty group)

1 -CONT ILL PR: \$14.75 (CIE-NYSE) Comment: Cash flow rising on bigger assets; Buy/hold for yield & LT gains. (Sh: 4808T, Book \$19.66) Intangibles: Deprec. \$3.82. Assets: \$283M, 0.2% nonearn; Mix: 95% property, 5% mtg; 40% apts., 28% shop ctrs., 23% offices. Financing: \$188M debt is 2.0X \$95M equity. Debt: \$176M mtgs. & \$12M bank loans.

EPS/CFS Jan. Apr. July Oct.
FY'77 20/36¢a 16/30¢ 9/30¢ 10/26¢
FY'78 14/36¢b 7/37¢ 7/34¢b

a-7¢ cap. gain. b-5¢ option redemption gain & 2¢ mtg. refinancing charge.

Est: \$1.30 CFS FY'78. Div: 32¢ Q, \$1.28 ann. (Adv. by sub. of Cont. Ill. Bank, Chicago)

3N-CONT ILL RLTY: \$2.63 (CIR-NYSE) Comment: Speculative hold if sponsor buys \$35M assets in '79 to let trust repay bonds maturing 12/79; Success requires major asset liquidation. (Sh: 2797T, Book \$2.28) Intangibles: Loss res. \$12.34; Taxloss NR. Assets: \$134M, 53% forc1.; 53% non & 22% low-earn; Mix: 31% land. Finance: \$91M debt is 14X \$6.4M equity. \$56M bank debt at 5% min. interest to 130% of prime to 11/79; Pledging assets; Sponsor agrees to buy \$35M assets if trust can repay \$55M to other banks by 11/79. Bonds: Speculation on fast liquidation.

EPS: June Sept. Dec. Mar. Year
FY'78 0¢ 1.31a 66¢a d9¢ 1.87a
FY'79 d37¢ 61¢a

a-\$2.83 swap gains in '78 & 96¢ in '79. (SEEK NON-REIT STATUS; Advised by Cont. Ill. Bank, Chicago, sub.)

4N-CONTL MTG: 20¢ (CMI-OTC) Comment: Shares & bonds high risk speculation that viable entity emerges from bankruptcy; creditors & mgmt. seem at impasse. (Sh: 20838T, Bk d\$6.65) Intangibles: Loss res. \$6.38; Taxloss \$7.68. Bankruptcy: Filed Ch. XI 3/8/76 & liquidation ordered but stayed by Ch. X filing 10/22/76; Ch. X filing denied & liquidation order overturned on appeal; Subor. noteholders organizing. Assets: \$570M, 93% troubled; selling condos & developing land. Finances: Owes \$561M & d\$139M negative equity; Earnings: Audited d\$2.78 in FY'78 after \$2.40 addition to loss res.; 9¢ in 4 mon. to 7/31/78. (FY Mar.; NON-QUAL; Independent)

3N-COUSINS M&E: \$2.38 (CUZ-NYSE) Comment:

↑ Hold/sell sh. & bonds for possible benefits from pending diversification via holding company. (Sh: 3845T, Book 99c)
Intangibles: Loss res. \$9.55; Taxloss \$12.90.
Assets: \$146M, 74% nonearn; 61% forecl.
 Mix: 45% land/develop., 20% apts., 18% lodgings. Financing: \$107M debt is 28X \$3.8M net equity. \$77M bank debt at income or 2%, plus contingent, to 12/79.

EPS:	Nov.	Feb.	May	Aug.	Year
FY'78	d10c	d17c	d5c	d1c	d33ca

a-Asset swap gains: 73c.

See \$1M gain Feb. Q on hotel sale; also \$1.5M gain on agreed Tex. & FL land swap. (NON-QUAL TRUST; Self-administered)

2 -DENVER RE: \$10.50 (DENVS-OTC) Comment: Buy/hold for income & possible buyout; '78 cash flow better. (Sh: 1101T, Book \$8.35)

Intangibles: Deprec. E\$7.73. Assets: \$54M.
 Mix by revenues: 48% office/comcl., 22% shop. ctrs., 14% motel, 12% apts.
Financing: \$44M debt is 4.7X \$9M equity.
 Debt: \$38M mtgs., \$5M debentures.

EPS/CFS	Mar.	June	Sept.	Dec.
1977	d9/0c	d7/10c	18/32c	41/66ca
1978	d5/21c	20/45c	25/51c	

a-Prop. sales gain: 11c in 1977.

Div: June 18c; '77 approx. 50% taxfree. (Independent management)

2N-DIVERSIFIED: \$3.13 (DMG-NYSE) Comment: Buy under \$4 as merger or recovery spec.; converted to corp.; MEI Corp. bought 7.4% of sh. (Sh: 7327T, Book \$8.46) Intangibles: Loss res. \$4.47; Taxloss \$4.94. Assets: \$137M, 81% nonearn, 26% forc1. Mix: 67% secondary & 7% primary homesites, 11% raw land. Financing: \$47M debt is 0.7X \$62M equity. Borrowed \$45M from Cont. Ill. Bank to buy all other bank debt at discount. Interest geared to prime & hurts EPS.

EPS:	Mar.	June	Sept.	Dec.	Year
1977	d39ca	17ca	d16ca	2.81a	2.43a
1978	16cb	d3c	d2c		

a-\$4.28 asset swap, NOL & refinancing gains. b-25c bank refinancing gain + 9c NOL.

(NON-QUAL CORP: Self-administered)

5N-DOMINION MR: 63c (DMRTS-OTC) Comment: Shs. & bonds high-risk spec.; Proposed bankruptcy plan would give bond holders 71% of sh. (Sh: 639T, Bk d\$10.86) Bankruptcy: Filed Ch. XI 6/28/77. Plan pending. SEC seeks CH. X. Intangibles: Loss res. \$5.88; Depr. \$2.29; Taxloss \$16.27.2N-EASTOVER CP: \$8.00 (EASTS-OTC) Comment:

Speculation on more aggressive workout, merger deals under new mgmt. Bought 12½% of Texas First Mtg. stock & 7% of ICM. (Sh: 1034T, Book \$11.86) Intangibles: Loss res. \$5.48; Taxloss \$9.77. Assets: \$19M, 64% non- & 14% low-earn; 61% foreclosed. Mix: 68% land; 49% La., 51% other South.

Financing: \$3M debt (all fixed rate mtgs.) is 0.2X \$11½M equity.

EPS:	Mar.	June	Sept.	Dec.	Year
1977	d43c	d32c	d20c	2c	d93c
1978	d6c	46ca	53ca		

a-Loss res. credit: 82c to Sept. '78.

(NON-QUAL TRUST: Jackson, MS broker Leland Speed heads new mgmt. group)

3 -EQUIT LF MTG: \$18.38 (EQ-NYSE) Comment:

Hold, EPS vulnerable; 1% prime=5c/sh. qtr. (Sh: 5663T, Book \$23.43) Intangibles: Loss res. 33c. Assets: \$388M, 8% nonearn; 33% long-term mtgs., 54% short-term const. & devel. loans; Expanding ST. Mix: 29% shop. ctrs., 18% tracts & land. Est. \$120M or 34% floats with prime. Financing: \$252M debt is 2.0X \$133M equity. Debt is \$232M short-term tied to prime & incl. \$123M comcl. paper. Bank lines \$200M.

EPS:	Jan.	Apr.	July	Oct.	Year
FY'77	59c	59c	60c	48ca	2.26a
FY'78	48c	46c	54cb	51c	1.99b

a-19c prepaymt. fee; b-5c sale gain.

Est: FY'79 EPS \$1.80. Div.: \$2.00 rate held. (Major life company adviser)

1 -FEDERAL RLTY: \$16.50 (FRT-ASE) Comment: Buy/hold for income & modest growth from prop. purchases; Plans buying 8 shop. ctrs. from Amterre Dev. if Food Fair bankruptcy doesn't upset deal; High operating return on prop. (Sh: 1450T; Book \$9.77) Intangibles: Depr. \$3.57. Assets: \$39M, no nonearn; 99% props. w/cash flow: 74% shop. ctrs., 25% apts.; most Wash.DC area but diversifying.

Financing: \$22.8M debt is 1.6X \$14M equity. Debt: 88% mtgs., 12% bank loans; Will borrow \$2M for Amterre deal.

EPS/CFS	Mar.	June	Sept.	Dec.	Year
1977	30/32c	29/31c	27/29c	43/44c	\$1.29/1.36
1978	35/39ca	29/31c	19/25c		E1.25/1.25

a-Prop. sale gain 6c.

Div.: \$1.36 ann. rate. (Independent mgmt.)

4N-FIDELCO GROW: \$3.75 (FGI-ASE) Comment: Spec. on sponsor aid. (Sh: 1580T, Book \$5.32)

Intangibles: Loss res. \$10.25; Taxloss \$5.41. Assets: \$90M, 79% nonearn; 64% forc1. Mix: 31% land (developed & raw), 31% condos; 31% Penn., 25% Fla. Financing: \$67M debt is 7.9X \$8M equity. \$60M bank credit to 11/30/79 at 1% cash + earnings; Swapping.

EPS:	Feb.	May	Aug.	Nov.	Year
FY'77	d1.52	d1.55	d2.33	d3.94	d9.34
FY'78	76ca	19ca	1.59a		

a-Swap gains + int. forgive: \$3.73 to Aug.

(NON-QUAL TRUST; Adv. by mtg. banker sub. of Phil. bank)

2 -FIRST CONT'L: \$7.50 (FCRES-OTC) Comment:

Hold for spec. income & incr. in 10% return on book. (Sh: 2106T, Book \$10.32)

Intangibles: Loss res. 44c. Assets: \$46M, 7½% nonearn, 5% foreclosed. Mix: Mostly mtg. loans: 57% constr., 29% devel., 8%

land; 88% Texas. Financing: \$29M debt (all bank) is 1.4X \$22M equity. Borrows under \$33½M bank lines at ½% over prime plus compens. balances; 1% prime=½¢/sh.Q. Must pledge assets equal to debt if demanded.

EPS:	May	Aug.	Nov.	Feb.	Year
FY'78	22¢	22¢	23¢	23¢	0.90
FY'79	25¢	26¢			E1.03

Div: Aug. Q 25¢; up to \$1.00 ann. rate.

(Advised by Houston mortgage banker)

2N-FIRST DENVER MI: \$2.00 (FDENS-OCT) Comment:

Recovery spec. at 68% below book. (Sh: 1621T, Bk \$6.27) Intangibles: Loss res.\$4.21; Taxloss \$9.87. Assets: \$54M, 38% nonearn; 27% foreclosed. Mix: 18% land, 19% condo-secondary home, 11% condo-primary, 14% motels. Financing: \$38M debt (all bank) is 3.8X \$10M equity. Bank debt to 5/81 at 3% in '78, 6½% in '79; Assets pledged. EPS: Dec. Mar. June Sept. Year
FY'77 d19¢ d27¢ d4¢ 3.08a 2.58a
FY'78 2.56a 16¢ d27¢

a-Asset swap gains: \$2.76 in '77; \$2.42 in Dec.'77. b-Prop. sale gains: 22¢ total in '78 to date.

(NON-QUAL TRUST; Adv. by Denver bank sub.)

2N-FIRST MEMPHIS: \$2.50 (FMEMS-OTC) Comment:

Spec. on loss reserve recovery at 46% below hard book; Group bought 6½%. (Sh: 1156T, Book \$5.14) Intangibles: Loss res. \$4.25; Depr. \$2.20; Taxloss \$5.77. Assets: \$40M, 54% non-, 8% low-earn; 88% forc1. Mix: 30% land, 22% offices, 20% apts.; 34% Tenn. Financing: \$29M debt is 4.9X \$6M equity. \$20M bank debt at 2% + contingent inter.; Swapping assets.

EPS:	Feb.	May	Aug.	Nov.	Year
FY'77	d27¢	d25¢	d18¢	1¢	d69¢a
FY'78	70¢a	18¢ab	55¢ab		

a-Swap gain: 33¢ FY'77; \$1.82 thru Aug. '78. b-Prop. sale gains: 64¢ in '78.

(NON-QUAL TRUST: Adv. by Memphis bank)

5N-FIRST MTG: 50¢ (FMTGS-OTC) Comment: Avoid,

high risk, bankruptcy possible. (Sh: 8495T com.; Book d\$5.98 net) Bonds: For swaps. Pfd: 141T Ser. A & 450T Ser.B held by lenders. Intangibles: Loss res. \$1.68; Taxloss \$9.65. Assets: \$261M, 17% non- & 47% low-earn; Mix: 31% lodgings, 28% apts., 17% office. Financing: \$245M debt over \$59M liquidating value pfd. & d\$51M negative common; \$192M bank credit expired 8/31/78 & negotiating to avert bankruptcy. Earnings: July Q 1¢ after 1¢ swap gain. (FY Jan.; NON-QUAL TRUST; Independent management)

3N-FIRST NEWPORT: \$1.13 (FNRIS-OTC) Comment:

Long recovery, making progress. (Sh: 2339T, Bk \$3.44) Bonds: Hold; Trust buying in mkt. Intangibles: Loss res.\$10.69; Taxloss \$24.80. Assets: \$107M, 46% non, 14% low-earn; 37% forc1. Mix: 30% condos, 24% lodgings. Financing: \$79M debt is 9.8X \$8M equity. \$61M bk. credit repayable by 10/82 at 5% interest

in FY'79; Lets trust repay \$7.4M of 8.75% subor. notes due 5/15/79 if conditions met.

EPS:	Jan.	Apr.	July	Oct.	Year
FY'78	d38¢	d43¢	14¢		

(NON-QUAL; Independent)

3N-FIRST PENN MI: \$1.75 (FPM-NYSE) Comment:

Trading spec., pending swaps may add \$1.50/sh. book value. (Sh: 2916T, Book \$2.48) Intangibles: Loss res.\$8.11; Taxloss \$9.94. Assets: \$141M, 74% nonearn, 62% foreclosed. Mix: Heavy condo, comcl/indus. land; 21% FL Financing: \$107M debt is 27.4X \$4M equity. \$93M bank debt accruing at prime w/interest forgiveness; Swapping.

EPS:	Oct.	Jan.	Apr.	July	Year
FY'78	d1.44	d2¢a	d64¢a	24¢	d2.08a
FY'79	1.17b				

a-Incl. asset swap gains \$1.43

b-Incl. asset swap gains \$2.30

(NON-QUAL TRUST; Advised by sub. of First Penn. Bank, Philadelphia)

1 -FIRST UNION: \$11.75 (FUR-NYSE) Comment: Shs.

& bonds: Buy for quality income; New mtg. debt cut rate risk. (Sh: 4270T com., Book \$8.63) Intangibles: Deprec. \$7.89. Assets: \$197M, E7% low-earn. Mix: 70% offices, 25% shop. Financing: \$154M debt is 3.3X \$47M total equity (\$10M pfd., \$37M common). Debt is: 78% secured mtgs., 13% short-term, 9% cvt. Closed new \$11M mtgs. in Aug.

EPS/CFS	Jan.	Apr.	July	Oct.
FY'77	20/29¢	24/31¢	21/29¢	21/29¢
FY'78	21/29¢a	23/30¢a	45/52¢a	

a-Prop. sale gains: Jan. 5¢; Apr. 2¢; July 23¢

Est: \$1.40 CFS FY'78. Div: Upped latest Q to 27¢ or \$1.08 ann. rate. (Independent mgmt.)

3N-FIRST VIRGINIA: \$1.75 (FVM-OTC) Comment: Shs.

& Bonds: Hold for modest recovery. (Sh: 1208T; Book \$6.89) Intangibles: Loss res. \$8.05; Taxloss \$10.51. Assets: \$59M, 35% non, 1% low-earn; 37% foreclosed. Mix 28% land; 37% Va., 34% Fla. Financing: \$45M debt is 3.0X \$8M equity. \$25M bank credit to 12/79 at 4% + contingent inter.; Pledged assets.

EPS:	Sept.	Dec.	Mar.	June	Year
FY'78	6¢	2.85a	22¢	41¢	3.54ab
FY'79	47¢b				

a-Incl. \$1.52 taxloss ben. + \$2.90 bond recovery. b-20¢ asset sales & 24¢ taxloss.

(NON-QUAL TR; Independent mgmt. tied to bank)

3N-FIRST WISC MT: \$2.50 (FWMTS-OTC) Comment:

For long recovery, some dilution. (Sh: 1988T, Book \$5.37) Intangibles: Loss res. \$8.26; Taxloss \$20.12. Assets: \$104M, 34% non- & 43% low-earn; 70% foreclosed. Mix: 31% apts., 29% land; 36% FL, 25% Midwest. Financing: \$80M debt is 7.5X \$11M equity. \$63M bank debt at 1% or net income to 5/80; Banks provided \$6½M secured standing loans on props.

EPS:	Mar.	June	Sept.	Dec.	Year
1978	0¢a	0¢a	d20¢		

a-After 89¢ loss prov. thru June.

(NON-QUAL TR: Adv. by Milwaukee bank sub.)

2 -FLATLEY: \$4.00 Unit (FLTLS-OTC) Comment: Buy for recovery toward book. (Sh: 1000T, Book \$7.04) Intangibles: Depr. \$2.19; Tax-loss 27¢. Assets: \$24M, Mix: 40% apts, 52% shop. ctrs.; 92% Mass. Making new property investments. 94% prop., 6% loans. Financing: \$17.4M debt is 2.5X \$7M equity; 85% mtgs. EPS: Sept. Dec. Mar. June Year
FY'78 3¢ 11¢ d3¢ 12¢ 23¢
FY'79 10¢ E50¢
Div: Resumed 20¢ 9/78 (Self-Adm.)

1 -FLA GULF: \$12.50 (FGLFS-OTC) Comment: Buy for yield & modest growth in overage rents and new properties. (Sh: 995T, Book \$14.59) Intangibles: Depr. \$5.27. Assets: \$32M. Mix: Over 93% shop. ctrs. (strip); 92% FL. Most Grants filled. Financing: \$18M debt is 1.3X \$14½M equity; \$18M mtgs. on prop. EPS/CFS July Oct. Jan. Apr.
FY'78 15/34¢ 17/36¢ 20/38¢ 14/33¢
FY'79 20/37¢a 16/
a- 2¢ prop. sale gain.
Est: FY'79 EPS 65¢; CFS \$1.40. Div: 32¢/Q, 55% tax-free. (Adv. by sub. of Loeb Rhoads)

2N-FRANKLIN: \$4.88 (FR-ASE) Comment: Hold for earnings improvement, expanding real estate services. (Sh: 999T, Book \$7.91) Converts: Hold. Intangibles: Depr. \$10.97; Taxloss \$1.74. Assets: \$32M. Mix: 77% prop. owned, 23% mtgs. & joint vent. Prop: 19 offices midwest & FL, 5 apts., 2 motels, 1 land tract. Vacancies falling. Financing: \$25M debt is 3.2X \$8M equity. Debt is: 65% secured, 15% short, 20% convt. EPS: Sept. Dec. Mar. June Year
FY'78 1¢ 24¢ 14¢ 9¢ 48¢a
FY'79 1¢
a-Incl. 20¢ sale gains & 19¢ taxloss. (NON-QUAL: Mgmt. by independ. Phil. rltly gp)

3 -FRASER: \$10.75 (FRASS-OTE) Comment: EPS vulnerable but hold for recovery; Block of 8% bought by broker. (Sh: 1038T, Bk \$16.64) Intangibles: Loss Res. 54¢. Assets: \$48M, 8% nonearn; 7% foreclosed. Mix: 37% LT; 31% Ohio, 25% FL. Making new investment. Financing: \$38M bank debt is 2.2X \$17M equity. 1% prime= 4¢/sh. qtr. EPS: Aug. Nov. Feb. May Year
FY'78 25¢ 25¢ 26¢ 50¢a 1.26a
FY'79 E1.15
a-Incl. 43¢ asset sale gain.
Div: 27¢, up 1¢ to \$1.08 ann. rate. (Adv. by Cleveland mtg. banker)

3 -GEN GROWTH: \$26.88 (GGP-NYSE) Comment: Bucksbaum family, now 15% owners, to tender for all sh. at \$28 cash or \$30 notes. Offer expected in Mar. Q. (Sh: 6202T, Book \$6.38) Intangibles: Depr. \$4.10. Assets: \$325M, no problems; high quality. Mix: 76% shop. ctrs. (major Midwestern malls), 14% apts. Financing: \$288M debt is 7.3X \$39½M equity. Debt is 91% secured mtgs. & \$25M 9-1/8% notes to 4/97. Earnings: Sep. Q EPS 40¢

after 2¢ gain & June CFS 44¢ after 1¢ gain. Sept. FY \$1.48 after 15¢ gain. Div: Sept. 39¢, up 2¢, about 60% taxfree. (FY Sept.)

2N-GMR PROP: \$1.88 (GMR-NYSE) Comment: Recovery speculation on benefits of bond restructuring. (Sh: 2210T, Book \$3.73) Bonds: Tender for \$1,025 prin. of new 8½% debts. + 50 sh. for 7 7/8s. Intangibles: Loss res. \$7.23. Taxloss \$12.20 to FY'77. Assets: \$81M, 39% non-& 22% low-earn; 53% forcl. Mix: 24% apts., 26% land; 79% Southeast. Financing: \$53M debt is 6.4X \$8M net equity; If exch. succeeds, \$27M bank term debt to 9/83 accruing first at 6½%, pay at 4% cash; Requires 75% acceptance of subor. debt restructuring. EPS: May Aug. Nov. Feb. Year
FY'78 d48¢ d18¢ d18¢ 50¢ d34¢a
FY'79 d12¢ -0¢a

a-Asset swap gains: 90¢ in '78; 16¢ Aug Q. (NON-QUAL TRUST, Adv. by life insur. co.)

2 -GOULD INV: \$9.00 (GTR-ASE) Comment: Spec. income, above average yield. (Sh: 1174T, Bk \$6.97) Intangibles: Loss Res. 35¢; Depr. \$10.10. Assets: \$39M, 2% nonearn; 86% prop. owned. Mix: 19% NYC office, 5 apts, 15 strip ctrs. Financing: \$31M debt is 3.8X \$8M equity. 91% secured mtgs. EPS/CFS Dec. Mar. June Sept.
FY'77 22/34¢ 30/27¢a 12/22¢ 7/17¢a
FY'78 37/47¢a 15/26¢ 18/30¢
a-Incl. prop. sale gains: 24¢ in FY'77, 16¢ in Dec'77.
Div: Sept. 22¢, up 2¢, to 88¢ ann. rate. (Managed by NY realty family)

1 -GREIT: \$7.00 (GRT-ASE) Comment: Hold for new mgmt. & re-leasing of vacant Dayton office space. Renovation to cause drain from this bldg. Shares 38% below book. (Sh: 998T, Book \$11.31) Intangibles: Depr. \$14.22; Loss Res. 8¢. Assets: \$35M, several vacancies. Mix: 61% shop. ctrs., 29% offices & urban stores, 2% mtgs. Financing: \$24M debt is 2.1X \$11.3M equity; all secured mtgs. EPS/CFS Jan. Apr. July Oct.
FY'77 15/25¢ 11/21¢ 21/39¢ 22/30¢a
FY'78 14/23¢ 10/18¢ 14/22¢
a-Incl. prop. sale gains: 7¢.
Div: Oct. 10¢, 40¢ ann. (Independent Phil. mgt)

5N-GRT AMER: 38¢ (GAA-OTC) Comment: Filed Ch. XI 3/77. SEC Ch. X motion still in progress. Still risky. (Sh: 4456T, Book d\$12.99) Bonds: Hold. Intangibles: Loss Res. \$13.22; Depr. \$3.45; Taxloss \$15.93. Assets: \$315M, 90% nonearn; 83% forcl. Mix: 42% apts., 21% land. Financing: \$321M debt over \$58M negative equity. Proposed plan: secure assets for sr. creditors + equity for cash int.; debent. exchange. Earnings: Apr. Q 9¢; foreclosures now positive cash flow. (FY July; NON-QUAL TRUST; Self-adm.)

2N-GROWTH RL: \$3.75 (GRW-NYSE) Comment: Improved spec.; Mgmt. seeks acquisitions & claims \$4/sh. unrealized appreciation. (Sh: 2059T, Book \$7.66) Bonds: Risky yld. Intangibles: Loss Res. \$4.18; Taxloss \$10.93. Assets: \$104M, 40% non-& 12% low-earn; 48% forcl. Mix: 40% apts., 18% shop. ctrs. Financing: \$82M debt is 5.2X \$16M equity; \$56M bank debt to 12/81 w/int. accrued at prime to 9% max.; pledging assets.

EPS:	Sept.	Dec.	Mar.	June	Year
FY'78	d65c	3.77a	d22c	1.15a	4.03a
FY'79	d39c				

a-\$4.01 interest forgiven in FY'78.
(To incorporate; Self-adm.)

5N-GUARDIAN: 44c (GMI-PHSE) Comment: Filed Ch. XI 3/78. SEC seeks Ch. X. Hold; Avoid new buys. (Sh: 3000T, Book d\$13.81) Bonds: Interest default 6/77; Hold. Intangibles: Loss res. \$8.74; Taxloss \$32.67. Proposal: \$204M princ. w/o inter. thru 1990 & sh. for 3/8 of equity; Subor. debt: 7½s, \$260 cash + 179 sh; 6 3/4s & 8s, \$210 cash + 131 sh. (would give sub. debt 3/8 of equity). Assets: \$202M, 55% non-& lowearn; 35% forcl. Mix: 35% land owned & in develop, 28% income-prod. prop. Financing: \$238M debt over \$41M negative equity. Debt is \$204M bank, \$34M debent. Earnings: Aug. Q 59c after 28c taxloss & 30c sale gain. (FY Feb.; NON-QUAL TR; Self-adm.)

2N-HAMILTON: \$1.63 (HAMTS-OTC) Comment: Recovery spec. at 70% below book (Sh: 2133T, Book p\$5.43) Intangibles: Loss Res. \$6.64; Taxloss \$3.26. Assets: \$79M, 27% non-& E19% low-earn; 39% forcl. Mix: 59% apts., 15% office, 13% land, 37% OK, 16% FL. Financing: \$52M debt is 4.9X \$10.7M equity; \$49M bank credit to 6/78 at 3½%. Renego. to cure default. \$8M repay. overdue.

EPS:	Mar.	June	Sept.	Dec.	Year
1977	d18c	d21ca	20ca	d35ca	d55ca
1978	d8c	d8c	40cb		

a-Asset swap gain \$1.44 in 1977. b-Asset swap gains 77c in Sept. '78.
(NON-QUAL TRUST: Self-adm.)

2N-HANOVER SQ: \$5.63 (HSQ-ASE) Comment: Buy/hold for recovery, Merger potential. (Sh: 946T, Book \$11.25) Converts: Spec. income buy. Intangibles: Loss Res. \$2.22; Depr. 24c; Taxloss \$4.55 as of 8/76. Assets: \$32M, 21% non-& 10% low-earn; 23% forcl. Mix: 68% resid., 17% shop. ctrs.; 48% Northeast. Stopped new commitments. Financing: \$19M debt is 1.8X \$10.7M equity; \$16M bank credit at 124% prime.

EPS:	Nov.	Feb.	May	Aug.	Year
FY'78	31ca	d2cb	12cab	5c	46cab

a-Incl. 38c asset sale gains, w/37c in Nov. '77. b-Incl. 33c gain on debent. repur. (Adv. by W.R. Grace sub.)

4N-HEITMAN MTG: \$1.25 (HTM-ASE) Comment: Rising rates pinch earnings. (Sh: 3292T, Book p\$2.01) Converts: Higher risk hold.

Intangibles: Loss Res. \$4.81; Taxloss E\$4.50. Assets: \$112M, 50% non-& 15% low-earn; 19% foreclosed. Mix: 31% shop. ctrs., 12% hotels, 18% offices, 21% land; 25% I11, 16% CA, 22% other West. Financing: \$90M debt is 12X \$7.5M equity; \$53M bank debt to 4/79 at prime, \$20M to 4/79 at ¼% over prime.

EPS:	Mar.	June	Sept.	Dec.	Year
1977	d1c	d11c	d50c	d4c	d66c
1978	1c	d28c	d27c		

(Adv. by Chicago mtg. group)

3 -HOSPITAL MTG: \$8.88 (HMG-ASE) Comment: Hold/avoid. 1% prime=1½c/sh. Qtr. Some recovery at 60% below book. (Sh: 1178T, Book \$22.54)

Intangibles: Loss Res. 20c; Depr. 54c. Assets: \$36M, 36% nonearn; 1% foreclosed. Mix: 34% medical, 31% land, 18% apts; 2/3 FL. Swapped 2 participations for 133 ac. in Houston. Financing: \$12M debt is 0.5X \$26.6M equity; \$9M bank debt; \$3M mtgs.

EPS/CFS	May	Aug.	Nov.	Feb.
FY'78	11/14c	15/18c	13/19c	10/16c
FY'79	10/16c	7/15c		

Repaying \$2M to banks & taking \$6M term loan at 1½% over prime. Div: 60c ann. rate.
(Adv. by Miami hosp. mgmt. co.)

3 -HOTEL INV: \$16.88 (HOT-ASE) Comment: Sh. & Bonds: Buy/hold for income. Occupancy & room rates up. (Sh: 1565T, Book \$16.90)

Intangibles: Loss Res. 68c; Depr. \$2.98. Assets: \$77M, 4% nonearn; 49% prop./46% LT mtgs. All hotels/motels, most nat'l franchises; comcl. business travel oriented. Financing: \$53M debt is 2.0X \$26½M equity; Debt is \$14M secured mtgs., \$15M secured @ 9 3/4% for 15 yrs., \$16M converts., \$6M bank at prime.

EPS/CFS	Nov.	Feb.	May	Aug.
FY'77	32/45c	28/44c	32/45c	28/38c
FY'78	40/53c	34/50c	37/50c	29/43c

Div: \$1.90/yr. (Self-adm.)

2 -HUBBARD: \$17.00 (HRE-NYSE) Comment: Buy for modest dividend increase prospects. (Sh: 4004T, Book \$22.84) Intangibles: Loss res. 44c; Depr. \$3.65. Assets: \$85M, E4% nonearn due to Grant vacancies. Most net leased retail & food stores. Net lessees: 20% Safeway, 17% Ashland Oil, 17% Chrysler. Financing: \$3M mtg. debt is 0.03X \$91.5M equity.

EPS:	Jan.	Apr.	July	Oct.	Year
FY'77	35c	35c	36c	82ca	1.88a
FY'78	38c	41c	43c		

a-Incl. 44c loss reserve reversal. Est: FY'78 \$1.70 on new lease acctg. Div: 38c for Oct. Qtr., upt 6%. (Advised by Merrill Lynch sub.)

2 -ICM RLTY: \$8.13 (ICM-ASE) Comment: EPS vulnerable. Long term recovery + poss. takeover. Eastover Corp. bought 7½%. (Sh: 3011T, Book \$15.13) Intangibles: Loss Res. \$5.12; Depr. 28c. Assets: \$91M, 53% non-& lowearn; 32% foreclosed. Mix: 50% apts., 26% shop. ctrs, 15% land; 40% land/leasebacks. Financing: \$31M

debt is 0.7X \$45½M equity; Debt is 49% secured mtgs., \$15M bank credit to 2/79 at 120% prime. 1% prime=1¢/sh. qtr.

EPS:	Feb.	May	Aug.	Nov.	Year
FY'77	22¢a	10¢	15¢	37¢a	84¢a
FY'78	15¢b	28¢b	24¢		

a-Incl. 25¢ prop. sales. b-Incl. 16¢ prop. sales thru Aug.'78.

Est: FY'78 EPS 85¢-90¢. Div: Annual div. 30-40¢ avail. if no further losses taken.

Div: Paying annually from taxable income.

Paid 23.6¢ in 3/78 from FY'77 income.

(Adv. by NYC mtg. group)

4N-IDS RLTY: \$1.38 (IDR-OTC) Comment: High risk spec. (Sh: 2409T, Book \$3.73) Bonds: Risky hold; tender at 80% of par for \$65M face completed 8/78. Intangibles: Loss Res. \$7.06; Taxloss \$16.84 before recent gain. Assets: \$129M, 49% nonearn; 39% forcl., after 8/78 sale to IDS, Inc. Financing: \$112M debt is 12.4X \$9M equity; \$99M subor. debent. Earnings: Oct. Q \$7.23 after \$7.26 extra. gains & 27¢ loss res. recovery. (FY Jan.; NON-QUAL TRUST)

5N-INDEPEND MTG: \$1.25 (IMTGS-OTC) Comment: Avoid. (Sh: 2500T, Book d\$3.92) Intangibles: Loss Res. \$11.80; Taxloss \$12.80. Assets: \$119M, 87% non- & low-earn; 65% foreclosed. Mix: 23% condos, 26% devel; 16% FL. Financing: \$96M debt over \$10M negative equity; Debt is \$76M bank term, \$10M subor., \$10M mtgs. Earnings: June Q 11¢ after 14¢ sale gain; FY d1¢. (FY June, NON-QUAL TRUST: Adv. by Phil. bank)

2N-INDIANA MTG: \$4.13 (INDMS-OTC) Comment: Hold for improvement, operating at approx. break-even ex reserve changes. (Sh: 1154T, Book \$8.87) Intangibles: Loss Res. \$2.30; Depr. \$2.72; Taxloss \$6.50. Assets: \$54M, 25½% nonearn; 8% forcl. Mtgs. 50% (most land & comcl.) Prop. 41% (most offices & apts.) Financing: \$41M debt is 4.0X \$10M equity; \$30M bank credit to 10/79: \$18M at 8½% & \$13½M at 8% min., 10% max.

EPS:	Sept.	Dec.	Mar.	June	Year
FY'78	+0¢a	d2¢a	1¢a	37¢a	36¢a
FY'79	9¢a				

a-Loss res. credits of 72¢ in FY'78; 7¢ in Sept. '78.

(Advised by Indiana bank)

2N-INSTITUTIONAL IN: \$1.38 (INV-NYSE) Comment: Trading on restructuring (Sh: 6074T, Book \$2.98) Bonds: Offering \$1,050 of new 8½% sr. notes + 50 shs. for old 7 7/8s; Needs 80% acceptance. Intangibles: Loss Res. \$1.28; Depr. 14¢; Taxloss \$6.71. Assets: \$88M, 62% non- & 21% low-earn; 61% foreclosed. Mix: 15% apts., 50% land; 18% Fla. Financing: \$63M debt is 3.5X \$18M equity; \$33M bank credit to 1/79 + exten.

EPS:	Apr.	July	Oct.	Jan.	Year
FY'78	d36¢	d41¢a	d29¢a	d1.41a	d2.47a
FY'79	d35¢b	33¢b			

a-36¢ sales gain & 31¢ swap gain.

b-39¢ gain debt extinguishment.

(NON-QUAL TRUST: Self-adm.)

1 -INVESTORS RL: \$7.75 (IRT-ASE) Comment: Interesting long-term recovery buy at 30% below book. Proposes exchanging 850,532 sh. for Summit Props. (Sh: 1479T, Book \$11.11) Intangibles: Loss Res. 62¢; Depr. \$3.13. Assets: \$36M, 17% nonearn. Mix: 54% apts., 15% shop. ctrs.; 77% property. Financing: \$17M debt is 1.0X \$16M equity; \$1.8M bank debt, \$15M mtgs.

EPS/CFS	Feb.	May	Aug.	Nov.
FY'77	3/18¢	d1/14¢	d14/0¢	51/64¢a
FY'78	8/19¢	30/37¢	12/19¢	

a-Prop. sales gain 90¢.
Div: Paying 60¢/yr. (CAN END REIT; Self-adm.)

2 -JMB RLTY: \$16.00 Unit (JMBRS-OTC) Comment: Buy/hold for spec. yield. (Sh: 510T, Book \$19.53) Intangibles: Depr. \$1.35. Assets: \$36M, no nonearn. Mix: 49% apts., 17% office, 17% shop. ctrs.; 67% wraparound mtgs., 9% land leasebacks. Financing: \$25M debt is 2.5X \$10M equity; \$20M mtgs., \$5M bank debt.

EPS:	Nov.	Feb.	May	Aug.	Year
FY'78	46¢	46¢	77¢a		

a-Incl. 13¢ prop. sale gain.
Div: 1.80/yr. rate. (Adv. by Chicago rlyt gp)

2N-KENTUCKY PROP: \$1.63 (KMTGS-OTC) Comment: Situation improving; broker bought 9% of shs. (Sh: 1100T, Book \$2.61) Intangibles: Loss Res. \$2.27; Taxloss \$4.44. Assets: \$15M, 88% non- & low-earn; 80% foreclosed. Mix: 23% apts., 25% land & devel., 17% condo; 54% Ky. Financing: \$9½M debt is 3.2X \$3M equity; \$8M bank debt to 5/80 at 8%, 4% cash, balance deferred.

EPS:	Feb.	May	Aug.	Nov.	Year
FY'78	d6¢	1.05a	d6¢		

a-69¢ asset swap gain.
(NON-QUAL TRUST: Self-adm.)

5N-LIFETIME COM: 75¢ (LFTMS-OTC) Comment: High risk. (Sh: 6632T, Book \$2.67) Intangibles: Loss Res. \$7.97; Taxloss \$9.38. Assets: \$141M, 75% non- & low-earn; 59% forcl. Settlement: Ch. XI emergence 1/78: Banks get 65% of \$163M debt over 6 yrs. + 47% of stock; sub. debt gets 10% + 15% of par + 5.2% of stock. Financing: \$80M debt is 4.5X \$17.7M equity. Earnings: July Q 17¢ after 8¢ tax benefit & 9¢ gain. (FY Oct.; Corporation)

2N-LINCOLN: \$2.00 (LNMGS-OTC) Comment: Shs. & Bonds: Spec. that new mgmt. can rebuild eroded book value. (Sh: 1155T, Book 85¢) Intangibles: Loss Res. \$2.16; Depr. \$1.02; Taxloss \$3.56. Assets: \$13½M, 61% non- & low-earn & foreclosed. Mix: 70% apts. Financing: \$11M debt after \$6M bank repaid 7/78 is 11X \$1M equity. Earnings: Sep. Q d4¢ after 21¢ gain. (FY Mar.; NON-QUAL TRUST; Self-adm.; Five large holders elected trustees in Oct.'78 + replaced old mgmt.)

2 -LOMAS & NET MTG: \$16.13 (LOM-NYSE) Comment: Buy/hold, shares depressed 42% below book by rate fear but exposure to 1% prime chng.= 2¢/sh. qtr. (Sh: 3700T, Book \$27.83) Intangibles: Loss Res. \$3.02. Assets: \$276M, 15% nonearn; 16% forcl. Making new loans. Mix: 42% const.

loans, 29% land acq. & devel.; 55% Texas. Financing: \$173M debt is 1.7X 103M equity; \$100M credit to 5/83 permits \$50M more comcl. paper. All debt floats.

EPS:	Sept.	Dec.	Mar.	June	Year
FY'78	40¢	42¢	43¢	45¢	1.70
FY'79	48¢				El.80

Div: Sept. 48¢ qtr. 36¢ cap. ret. in '78.
(Advised by largest U.S. mtg. banker)

- 2 -M&T MTG: \$9.63 (MTMIS-OTC) Comment: Buy for stable yield, good relative value. (Sh: 1428T, Book \$10.32) Intangibles: Loss Res. 55¢. Assets: \$52M, 0.5% nonearn. & forcl. All mtgs. in Texas, most 1-family 1-family constr. & devel.; making new commitments. Financing: \$39M debt (all bank) is 2.5X \$15M equity; All bank debt secured; sponsor provides compens. bal.
- | EPS: | Nov. | Feb. | May | Aug. | Year |
|-------|------|------|-----|------|------|
| FY'78 | 28¢ | 26¢ | 28¢ | 31¢ | 1.13 |
- Div: 30¢ + 5¢ extra. in Aug. qtr. (Adv. by Houston mtg. banker)

- 2N-MARYLAND RL: \$3.13 (MDRTS-OTC) Comment: Recovery spec. but small; Federated Reins. bought 11.8%. (Sh: 760T, Book \$8.59) Intangibles: Loss Res. \$2.88; Taxloss \$4.70. Assets: \$19M, 29% non- & 8% low-earn; 37% foreclosed. Mix: All Ga. & Fla; 32% apts., 32% land. Financing: \$10.72 bank debt is 1.6X \$6.5M equity. Assets pledged. Earnings: Aug. Q EPS 16¢ after 6¢ taxloss & 21¢ sale gain. (FY Nov.; NON-QUAL TRUST)

- 1 -MASSMUT M&R: \$14.13 (MML-NYSE) Comment: Buy/hold at 28% below book. (Sh: 4670T, Book \$19.63) Converts: Safe yield. Intangibles: Loss Res. 44¢. Assets: \$187M, 6% non- & 6% low-earn; 11% forcl. Mix: 37% shop. ctr. & retail, 33% apts.; 82% LT mtgs. New commitments. Financing: \$96M debt is 1.0X \$92M equity. Small interest rate exposure. \$70M convert. debts.
- | EPS: | Jan. | Apr. | July | Oct. | Year |
|-------|------|------|------|------|-------|
| FY'78 | 36¢ | 38¢ | 37¢ | 36¢ | 1.47a |
- a-Incl. 11¢ debent. repurchase gains.
Div: \$1.36/yr. rate. (Major life co. adv.)

- 5N-METROPLEX: 50¢ (JMI-OTC) Comment: Bonds & Shares: Avoid. Filed Ch. XI 12/77; must solve complex litigation to emerge. (Sh: 1184T, Book 5¢ on going concern basis) Intangibles: Loss Res. \$9.51; Taxloss \$16.47. Assets: \$27M, 100% nonearn; 50% forcl. Mix: land & lots. Financing: \$13M debt over nominal equity. Debt is \$2M banks + \$9.6M sub. debts. Earnings: Mar. Q d17¢. (FY Sept.; NON-QUAL TRUST)

- 2N-MIDLAND MTG: \$1.50 (MMT-NYSE) Comment: Spec. on developing/selling 2 large tracts. One broker bought 16.8% of shs. (Sh: 2382T, Book 18¢) Bonds: Spec. yield. Plans exch. offer of new convertible. Intangibles: Loss Res. \$3.78; Taxloss \$9.26. Assets: \$35M, 70% non- & lowearn; 50% forcl. Mix:

11% motel, 17% condo, 48% land. Financing: \$26M debt is 58X \$0.4M net equity. Swaps repaid all bank debt 8/78.

EPS:	Sept.	Dec.	Mar.	June	Year
FY'78	d4¢	d9¢	d18¢	18¢	d14¢a
FY'79	5¢				

a-Incl. \$2.98 asset swap gains.
(CAN END REIT: Okla. mtg. banker adviser)

- 1- MILLER(HEN.S): \$12.75 (HSTMS-OTC) Comment: Buy for LT recovery; Operating trend up. (Sh: 560T, Book \$16.95) Intangibles: Loss Res. \$1.74; Depr. \$3.17. Assets: \$25M, 10% non-earn & foreclosed. Mix: 60% shop. ctrs. owned, 18½% land; mostly Texas. Sold 2 offices, Kansas shop. ctr. & Tx. warehouse. Financing: \$16M debt is 1.7X \$9.5M equity. \$4M bank borrowings at ½% over prime; \$11.8M mtgs. on prop.
- | EPS: | May | Aug. | Nov. | Feb. | Year |
|-------|-----|-------|------|------|------|
| FY'78 | 16¢ | 15¢ | 4¢ | 17¢ | 52¢ |
| FY'79 | 30¢ | 2.34a | | | |
- a-Incl. \$2.13 prop. sale & insur. gains.
Div: Oct. 25¢, \$1.00/yr rate. (Dallas realty group adviser)

- 2N-MISSION: \$2.88 (MIT-ASE) Comment: Trading/very long recovery; book value stabilizing. Merger offer spurned. (SH: 1812T, Book \$4.87) Intangibles: Loss Res. \$2.41; Taxloss \$5.35. Assets: \$26M, 40% non- & 22% low-earn; 51% forcl. Mix: 42% land & devel., 19% resid., 39% comcl. Financing: \$13M bank debt is 1.5X \$9M equity. Bank debt at prime (max. 8½% to 11/79; Cut bank debt to \$7M 10/31. Assets pledged.
- | EPS: | Feb. | May | Aug. | Nov. | Year |
|-------|------|-----|------|------|------|
| FY'77 | d16¢ | d9¢ | d5¢ | 13¢ | d43¢ |
| FY'78 | 15¢a | 5¢a | d1¢ | | |
- a- Inc. 29¢ asset sale gains.
(CAN END REIT: Self-adm.)

- 2 -MONEY MTG: \$8.13 (MYM-NYSE) Comment: Hold; 1% prime rise would cost 1½¢/sh. qtr. (Sh: 8935T, Book \$9.82) Converts: Safe yield. Intangibles: Loss Res. 10¢; Depr. 21¢. Assets: \$252M, 8% non- & low-earn; 5% forcl. Mix: 29% office, 26% multi-fam., 32% shop. ctrs.; 47% ST mtgs., 36% LT mtgs. Making new ST commitments. Financing: \$171M debt is 1.9X \$88M equiy. \$122M ST debt, most \$96M comcl. paper.
- | EPS: | Aug. | Nov. | Feb. | May | Year |
|-------|------|------|------|------|------|
| FY'78 | 16¢ | 16¢ | 16¢ | 38¢a | 86¢a |
| FY'79 | 17¢ | | | | |
- a-Incl. 26¢ borrower restructure gain.
Div: 23¢/qtr. (Major life co. adviser)

- 1 -MTG GROWTH: \$6.88 (MTG-ASE) Comment: Spec. buy/hold for LT recovery and 9.3% yield. (Sh: 2627T, Book \$10.65) Intangibles: Loss Res. 31¢; Depr. \$1.06. Assets: \$45M, 4% non- & 3% low-earn; 4% held for sale. Mix: 61% apts., 26% offices; 34% Cal. Financing: \$16.8M debt is 0.6X \$28M equity; Debt: \$7.7M converts held privately, \$3M banks, \$6M mtgs.

EPS/CFS Feb. May Aug. Nov.
 FY'77 5/11¢ 5/13¢ 5/13¢ 8/16¢
 FY'78 10/18¢ 12/20¢ 13/21¢
 Est: FY'78 EPS 50¢; CFS 80¢. Div: Aug. 16¢,
 up 1¢. (Advised by independent group)

EPS/CFS Oct. Jan. Apr. July
 FY'77A 11/12¢ 21/21¢a 15/16¢ 16/15¢
 FY'78A 25/25¢b 25/25¢b 18/17 0/E0¢b
 A-Adjusted for 3/2 stock split 11/78.
 a-Incl. 4¢ sale gain. b-Incl. 5¢ sale.
 Div: 72¢/yr paid monthly. (Self-adm.)

3N-MTG INV WASH: \$1.75 (MINVS-OTC) Comment:
 Trading, recovery potential. (Sh: 2146T,
 Book \$4.13) Bonds: Risky yield. Intan-
gibles: Loss Res. \$2.17; Taxloss \$4.43.
Assets: \$55M, 42% non- & 15% low-earn;
 42% foreclosed. Mix: 21% apts., 15% shop.
 ctr.; 15% mobile home. Financing: \$43M
 debt is 4.8X \$8.9M equity. \$15M sr. bank
 debt at 112½% of ¼% over prime, to 12/15/79.
 EPS: June Sept. Dec. Mar. Year
 FY'78 11¢a d15¢ d1.14 d54¢ d1.72a
 FY'79 25¢b d22¢
 a-Incl. 14¢ sale gains; b-38¢ sale gains.
 (NON-QUAL TRUST)

1N-MTG TR AM: \$5.88 (MT-NYSE) Comment: Buy/
 ↑ hold for recovery at 58% below book. (Sh:
 3860T, Book \$12.91) Intangibles: Loss Res.
 \$2.80; Taxloss \$2.05. Assets: \$87M, 38%
 non- & 9% low-earn; 31% foreclosed. Mix:
 24% land & devel., 17% condos, 19% apts.;
 17% Calif. Financing: \$34M debt is 0.6X
 \$50M equity. \$20M bank debt at full-rate
 inter. New \$20M credit permits new invstmt.
 EPS: Feb. May Aug. Nov. Year
 FY'77 d13¢ d17¢ d19¢ 24¢a d25¢a
 FY'78 18¢a 48¢b 14¢
 a-Incl. 9¢ prop. sales in Nov.'77; 27¢
 in Feb.'78. b-42¢ interest recovery.
 (Advised by sub. of Transamerica Corp.)

4N-NATL MTG: 88¢ (NMF-OTC) Comment: Moderating
 risk that land holdings will be difficult
 to market. (Sh: 3707T, Book \$2.03)
Intangibles: Loss Res. \$3.55; Taxloss \$2.51.
Assets: \$36M, 81% non- & 11% low-earn; 65%
 foreclosed. Mix: 61% land, 16% comcl; 43%
 FL. Financing: \$12M debt is 1.6X \$7.5M
 equity; \$8.5M secured bank credit; Ch. XI
 settlement confirmed & deb. holders got
 cash, new notes & shares. Earnings: Aug.
 Q 3¢ on big revenue gains. (FY Feb.; NON-QUAL)

2 -NATIONWIDE RE: \$13.00 (NRELS-OTC) Comment:
 Agreement in principle w/Buckeye Fed. S&L,
 Max. \$20, min. \$18. Buy/hold for merger.
 (Sh: 1047T, Book \$24.36) Converts: High
 yield. Intangibles: Loss Res. \$1.22.
Assets: \$31M, 49% non-earn; 35% foreclosed;
 Halted new loans. Mix: 25% medical, 14%
 condos, 11% land; 30% Ohio, 17% Ind.
Financing: \$6½M sub. deben. debt is 0.3X
 \$25½M equity; Earnings: Sep. Q 13¢. (FY Mar.)

1 -NEW PLAN RL: \$9.50 (NPLNS-OTC) Comment:
 ↑ Split 3-for-2 11/78. Buy/hold for good
 quality yield and improving income. (Sh:
 2357T; Book \$2.67) Intangibles: Depr.
 \$2.56. Assets: \$20M, no nonearn. Mix: 71%
 shop. ctrs. owned, 14% resid. Bought 110T
 sf NY shop. ctr. Financing: \$17M debt is
 2.5X \$7M equity; Debt: 80% mtgs., 18% subor.

5N-NJB PRIME: \$1.25 (NJB-OTC) Comment: Avoid,
 Ch. XI filed 9/78. (Sh: 1330T, Book d\$7.15)
Intangibles: Loss Res. \$17.98; Taxloss \$12.00.
Assets: \$65M, 71% nonearn; 53% forcl. Mix:
 43½% motor lodges/restaurants, 27½% condos.
Financing: \$48½M debt over \$9½M neg. equity.
 Filed Ch. XI plan 9/14/78 proposing: Exch. of
 \$20 cash for \$100 subor. deb. or \$15 +
 \$35 in new conv. deb., or \$15 + 20 sh.
Earnings: Aug. Q d55¢ after 13¢ loss prov.
 (FY Nov.; NON-QUAL: Self-adm.)

3N-NO. AMER: \$2.88 (NAM-NYSE) Comment: Re-
 recovery potential from large apt. holdings but
 progress slower than expected; about 61%
 discount from est. \$7.50 hard book value.
 (Sh: 4401T, Book \$8.17) Bonds: Hold 8½s;
 5½s won't be repaid 3/15/79. Intangibles:
 Loss Res. \$2.57; Taxloss NA. Assets: \$136M,
 48% non- & 45% low-earn; 61% forcl. Mix: 50%
 apts., 10% land; 34% FL. Financing: \$95M debt
 is 2.6X \$37M equity; \$33M demand bank notes.
 EPS: Mar. June Sept. Dec. Year
 1977 d32¢ d1.04 d35¢ d26¢a d1.97a
 1978 d34¢ d37¢ d32¢
 a-Incl. 12¢ debt restructuring gain.
 (Self-adm.)

2N-NOWSTRN FIN: \$8.00 (NFINS-OTC) Comment:
 Recovery and/or liquidation spec. Broker
 bought 13%. Seeking taxloss use. (Sh: 1510T,
 Book \$14.35) Intangibles: Loss Res. \$1.99;
 Taxloss \$3.64. Assets: \$33M, 37% nonearn; 23%
 forcl. Mix: 7% apts., 6% offices, 7% land, 44%
 inter-long; 50% N. Caro. Financing: \$9M bank
 debt is 0.4X \$21½M equity; \$9M bank lines w/2
 banks at ½% over prime.
 EPS: Mar. June Sept. Dec. Year
 1978 8¢ 4¢ 12¢a
 a-6¢ tax benefit & 10¢ loss res. credit.
 (NON-QUAL TRUST)

3 -NOWSTRN MUT: \$9.88 (NML-NYSE) Comment: Hold,
 1% prime = 2¢/sh. qtr, but difficulties appear
 discounted. (Sh: 4758T, Book \$19.12) Converts:
 Safe. Intangibles: Loss Res. 65¢. Assets:
 \$240M, 8% non- & 5% low-earn; 13% forcl. Mix:
 25% office, 27% shop. ctr., 10% apts; 59%
 LT mtgs. Financing: \$152M debt is 1.7X \$91M
 equity. \$77½M open bank lines; \$17M comcl.
 paper.
 EPS: June Sept. Dec. Mar. Year
 FY'78 22¢ 30¢a 17¢ 22¢ 91¢a
 FY'79 49¢b 17¢
 a-15¢ sale gain; b-33¢ sale gain.
 Div: 25¢. Being helped by cap. gains & est.
 \$1 rate payout. (Major life co. adviser)

1 -PACIFIC SO: \$7.50 (PSMTS-OTC) Comment: LT
 recovery or buyout candidate plus spec. yield;
 President bought 5½% of shares. (Sh: 800T,

Book \$11.99) Intangibles: Loss Res. \$1.38. Assets: \$9M, 11% nonearn & forcl. Mix: 84% comcl. LT loans, 11% forcl. condo under sale contract. Bought commercial prop. Financing: No debt over \$9½M equity.

EPS:	June	Sept.	Dec.	Mar.	Year
FY'78	13c	17c	15c	13c	58c
FY'79	15c	19c			

Div: Up 20% to 72c/yr. rate. (Self-adm.)

- 2 -PENN RE: \$15.00 (PEI-ASE) Comment: Buy/hold LT for yield & gains. (Sh: 1516T, Bk \$13.17) Intangibles: Depr. \$12.99. Assets: \$63M. Mix: 38% apts., 36% shop. ctrs. Financing: \$52M debt is 2.6X \$20M equity. Debt: 93% mtgs.; borrows under \$6½M bank lines.

EPS/CFS	Nov.	Feb.	May	Aug.
FY'78	82/95cb	24/36c	37/50c	87/1.03b

b-Incl. 88c sale gains.

Div: 62½c semi-annually. (Phil. rltly. mgt)

- 5N-PLAZA RL: \$1.00 (PRISS-OTC) Comment: Avoid or trade only. (Sh: 1114T, Book 68c) Intangibles: Loss Res. \$4.15; Taxloss \$7.54. Assets: \$30M, 72% nonearn & forcl. Mix: 89% prop. owned. Financing: \$24M debt is 32X \$760T equity. Debt: \$16M mtgs.; \$9M credit at 1% cash or earnings to 1983 up to prime. Earnings: June Q 12c. No audit opinion '77. (FY Dec.; NON-QUAL TRUST: Self-adm.)

- 3 -PNB MTG: \$8.50 (PNI-NYSE) Comment: Hold for LT recovery; 1% prime=2½c/sh. Q EPS. (Sh: 2437T, Bk \$18.77) Intangibles: Loss Res. 55c. Assets: \$114M, 11% non-& low-earn & forcl. Mix: 32% LT mtgs., 18% prop. owned; 34% apts., 24% office & indust. Adding assets. Financing: \$72M debt is 1.6X \$46M equity; \$29M comcl. paper.

EPS:	Dec.	Mar.	June	Sept.	Year
FY'78	22c	16c	23c	24ca	85ca

a-Incl. 5c prop. sale gains.

Est: FY'79 EPS rising. Div: Sept. 22c, up 10%. (Adv. Phil bank subsidiary)

- 3 -PROP CAP: \$10.75 (PCL-ASE) Comment: Buy/hold for yield & LT recovery; int. exposure minimal. (Sh: 2065T, Book \$13.68) Intangibles: Loss res. 53c. Assets: \$50M, 5% non-earn. Mix: 39% apts., 28% office, 21% shop. ctrs.; 63% leasebacks, 37% LT mtgs. Seek new investments. Financing: \$22M debt is 0.8X \$28M equity; Bank lines \$7M at ¼% over prime.

EPS:	Oct.	Jan.	Apr.	July	Year
FY'78	30c	30c	30c	30c	1.20
FY'79	30c				El.20

Div: 30c/qtr. (Independent mgmt)

- 2 -PROP TR AM: \$4.75 (PTRAS-OTC) Comment: Hold for recovery; (Sh: 2338T, Bk \$7.37) Intangibles: Depr. \$1.67. Assets: \$32M, 13% nonearn; 8% forcl. Mix: 15% mtgs; 77% invstmt prop; 81% Tex. Financing: \$16M debt is 0.9X \$15.3M equity; \$15M mtgs.

EPS/CFS	Mar.	June	Sept.	Dec.
1977	1/3c	7/10c	2/5c	16/17a
1978	2/6c	2/5c		

a-Incl. 11c prop. sale gain.

- 2 -RL & MTG PAC: \$12.38 (RPACS-OTC) Comment: Sh. & Converts: Hold, moderately vulnerable to interest rates. (Sh: 1890T, Bk \$18.00) Intangibles: Loss Res. 20c. Assets: \$92M, 1% non-& El0% low-earn; El5% forcl. Mix: 64% mtgs: 26% hotel/motel, 18% office; 31% prop.; 47% Calif., 19% Hawaii. Financing: \$58½M debt is 1.7X \$34M equity; Upped bank credit to \$60M to 11/82: \$30M comcl. paper backing & \$30M line to 9½% max., up ½%.

EPS:	Feb.	May	Aug.	Nov.	Year
FY'77	25c	27c	32c	29c	1.13
FY'78	24c	21c	29c		El.12-.15

Div: \$1.28/yr. incl. not less than 20c/sh. depr. (Bank of Hawaii adviser)

- 3 -REIT AMER: \$15.50 (REI-ASE) Comment: Hold LT improvement of prop. yld. (Sh: 1633T, Bk \$21.59) Intangibles: Depr. \$7.89. Assets: \$44M, prop. 9% vacant overall. Mix: 42% shop. ctrs., 24% office, 21% indust.; 45% Cal., 13% Mass. Financing: \$12M mtg. debt is 0.3X \$35M equity.

EPS:	Feb.	May	Aug.	Nov.	Year
FY'78	67ca	31c	28c		El.50

a-Prop sale gains: 40c in Feb.'78.

Div: \$1.20/yr rate; paid since 1888. (Self-adm.; Is oldest U.S. trust)

- 3 -RLTY INCOME: \$12.25 (RIT-ASE) Comment: Hold LT for portfolio upgrading benefits, problem property being eliminated. European group bought 20% of shares. (Sh: 1573T, Book \$9.43) Converts: Yield. Intangibles: Loss res. 77c. Assets: \$69M, 35% non-& 15% low-earn; 44% forcl. Mix: 19% apts., 27% offices. Closed 10/78 sale of large Cal. tract at \$3.66/sh. gain. Financing: \$58M debt is 3.9X \$15M equity; \$17M under \$23½M bank lines at prime; \$20M term at 1½% over prime to '80.

EPS:	July	Oct.	Jan.	Apr.	Year
FY'79	0.32B	E3.50-70			

B-Incl. 1c sale gain.

Div: 35c/qtr., paying cap. gains. (Self-adm)

- 3 -RLTY REFUND: \$13.13 (RRF-NYSE) Comment: Hold; EPS partly sensitive to prime. (Sh: 1377T, Bk \$18.01) Bonds: Attractive for yield. Intangibles: No reserve. Assets: \$62M, no problems; Mix: 80% wraparound mtgs., 20% LT mtgs; 43% apts., 21½% office, 19% industrial. Financing: \$38M debt is 1.6X \$24M equity; \$9M bank debt at 3/4% over prime to 5/79; Sold \$20M of 11 3/8% sr. deben.

EPS:	Apr.	July	Oct.	Jan.	Year
FY'79	51c	47c	42c	E40c	El.80

Div: Oct. Q 42c, down 11%. (Adv. Independent realty group)

- 3N-REPUBLIC MTG: \$1.50 (RMI-NYSE) Comment: Trading, spec. on recovery, still in red. (Sh: 2107T, Book p\$3.90) Intangibles: Loss Res. \$4.99; Taxloss \$11.51. Assets: \$48M, 56% non-& 22% low-earn; 77% forcl. Mix: 28% land acq. & devel., 19% condos, 62% Fla. Financing: \$28M debt is 3.4X \$8.2M equity. \$25M bank credit to 12/78 at 3% cash or net cash income, + conting.

EPS:	Mar.	June	Sept.	Dec.	Year
FY'78	d30c	+0ca	d10c		

a-Asset swap gains: 20c in June'78.

(NON-QUAL TRUST: Independent mgmt)

NR-RIVIERE RL: \$5.75 (RIVI6-OTC) Comment: Limited interest. (Sh: 783T, Book \$8.57) Intang: Depr. \$5.01. Assets: \$22M, 2% forcl. & NE. Financing: \$15M debt is 2.3X \$6.7M equity. \$9M mtgs. on prop. Earnings: Sep. Q EPS 18c; June CFS 24c. Div: Sept. 15c, up 1c. (FY Dec.)

2 -SAN FRAN RE: \$18.25 (SFI-ASE) Comment: Buy/hold at 8% below book. (Sh: 1376T, Bk \$19.90) Intangibles: Loss Res. \$1.59; Depr. \$4.78. Assets: E\$63M, 5% forcl. & non-earn. Sold 2 forcl. tracts 11/78. Financing: \$36M debt is 1.3X \$27M equity; 93% mtgs.

EPS/CFS	Mar.	June	Sept.	Dec.
FY'77	20/26c	13/19c	10/18c	27/35c
FY'78	23/28c	25/33c	29/35c	

Est: FY'78 EPS \$1.05; CFS \$1.30. Div: Sept. up 17% to \$1.40/yr. rate. (Self-adm.)

2N-SAUL RE: \$6.50 (BFS-NYSE) Comment: Buyout candidate; Insiders buying + State Farm buys 14% of sh. (Sh: 5859T, Book p\$4.88) Bonds & converts: For yield. Intangibles: Loss Res. 58c; Depr. \$3.23; Taxloss \$6.66. Assets: \$258M, 11% non- & 9% lowearn. Mix: 87% prop. Financing: \$225M debt is 7.6X \$38M equity; \$103M bank revolver at 125% of prime to 4/30/79.

EPS:	Dec.	Mar.	June	Sept.	Year
FY'78	d29c	d20cb	d16cb	d20cb	d84cb

b-Incl. 25c gain on asset sales in year. (NON-QUAL TRUST: Wash. rltly. group advisor)

3N-SECURITY MTG: \$2.88 (SMO-ASE) Comment: Trading/recovery. (Sh: 6487T, Book \$5.88) Bonds: Moderately attractive. Intangibles: Loss Res. \$2.16; Taxloss \$2.80. Assets: \$130M, 27% non-earn; 21% forcl. Financing: \$78M debt is 2.1X \$38M net equity; \$10M bank debt at 125% prime to 3/30/79.

EPS:	Dec.	Mar.	June	Sept.	Year
FY'78	d2c	d1ca	d13ca	d3ca	d18ca

a-Incl. 4c debt extinguishment gain. (CAN END REIT: Smith Barney affil. is adv.)

3N-SO ATLANTIC: \$3.00 (SAT-NYSE) Comment: Better spec. value after recent price fall. (Sh: 2706T, Book \$2.93) Bonds: Spec. yield. Intangibles: Loss Res. \$5.28; Taxloss \$8.72. Assets: \$120M, 67% non- & 20% low-earn, 83% foreclosed. Financing: \$89M debt is 11.3X \$7.9M equity. \$69M bank credit accruing at prime.

EPS:	Jan.	Apr.	July	Oct.	Year
FY'78	d57c	d46c	8ca		

a-83c loss reserve credit. (NON-QUAL TRUST: Self-adm.)

3N-STATE MUT: \$4.38 (SMU-NYSE) Comment: Interesting spec. on further recovery at 46% below book. (Sh: 2786T, Book \$8.08) Bonds: Hold. Intangibles: Loss Res. \$3.47; Taxloss E\$5.90. Assets: \$56M, 67% non- & low-earn; Financing: \$25M debt is 1.1X \$23M equity; Sr. debt \$17M at 2% to 7/79.

EPS:	June	Sept.	Dec.	Mar.	Year
FY'78	d16c	d15c	9.62a	4c	9.35a
FY'79	6cb	23cb			

a-\$8.39 debt restructuring gain. b-Taxloss benefit 14c & asset sales 8c in 6 mos. (NON-QUAL TRUST: Major life co. adv.)

2N-SUMMIT PROP: \$3.25 (SMMTS-OTC) Comment: Agrees to exchange all sh. for 850,532 sh. Investors Rlty. (or abt. 0.55/RT sh.) & merge, provided all approvals given. (Sh: 1543T, Book \$6.73) Intangibles: Loss Res. 60c; Depr. \$5.85. (FY Oct.; NON-QUAL; Self-adm)

2 -SUTRO MTG: \$8.75 (SUT-NYSE) Comment: Buy for LT recovery at 44% below book value; Funding

new loans & hedging rate risk. (Sh: 2322T, Book \$15.56) Converts: Safe yield. Intangibles: Loss Res. \$1.68. Assets: \$65M, 12% non- & 7% low-earn; 13% forcl. Financing: \$25M debt is 0.7X \$36M equity; Debt: 82% converts.

EPS:	June	Sept.	Dec.	Mar.	Year
FY'78	19c	32c	12c	20c	82ca
FY'79	26cb	32cb			E1.00+

a-Incl. 31c asset sale gains.

b-Incl. 37c asset sales thru 9/78.

Div: Sept. 25c, up 11%. (Advised by Los Angeles mortgage banker)

1N-TEXAS FIRST: \$3.00 (TFMRS-OTC) Comment: Spec. on recovery at 63% below book or favorable merger. Eastover bought 12½% of sh. (Sh: 1055T, Book \$8.03) Intangibles: Loss Res. \$3.03; Taxloss E\$8.25. Assets: \$78M, 69% non-earn; 55% forcl. Financing: \$6M bank debt (at 8% to 9/79) is 0.7X \$8.5M equity; assets pledged. Earnings: Sep. Q 3c. (FY June; NON-QUAL; Self-adm)

2N-TIERCO: \$2.13 (TIERS-OTC) Comment: Spec. at 68% below book on operating improvement & debt payment (Sh: 1170T, Book \$6.62) Intangibles: Loss Res. \$2.65. Taxloss \$9.61. Assets: \$29M, 38% non- & 32% low-earn; Financing: \$17.8M debt is 2.3X \$7.8M equity; \$4M bank debt accrual to 8½% or prime, to 6/80. Earnings: Sept. Q 12c after 31c loss res. credit. (FY Dec.; NON-QUAL TRUST; Self-adm.)

4N-TRECO: \$1.25 (TRECS-OTC). Comment: Some spec. interest on restructuring but future still clouded. (Comm.Sh.: 2238T, Book 99c) Bonds: Inter. paid on old bonds 10/78. Old 8½s & new pfd. now convertible at \$1.62/sh. or 5.39M poss. sh. Two blocks bought. Intangibles: Loss Res. \$11.68; Taxloss \$24.53. Assets: \$113M, 88% non- & low-earn; 81% forcl. Financing: \$80M debt is 36X \$2M equity; \$65M six-year bank credit at 1% inter. + partial asset pledge. Earnings: Sep. Q 4c. (FY Mar.; PLANS CORP. FORM; Self-adm.)

3N-TRI-SOUTH MTG: \$2.50 (TRI-NYSE). Comment: Interesting after recent price fall. (Sh: 2270T, Book \$3.29) Bonds: 53% took new 10% sr. convert @ \$2½; Old bonds now current. Intangibles: Loss Res. \$11.50; Taxloss \$17.05. Assets: \$86M, 85% nonearn; 66% foreclosed. Financing: \$57M debt is 7.7X \$7.5M equity; \$16M bank debt at 1% inter. to 12/78, then 6%.

EPS	Mar.	June	Sept.	Dec.	Year
1977	d17ca	d69ca	d65ca	d61ca	d74ca
1978	d23	d5b	1.34b		

a-\$2.71 extra gains. b-\$1.33 restructure gains. (NON-QUAL; Adv. by 3 SE banks)

4N-UMET TRUST: \$1.25 (UAT-NYSE). Comment: Spec.; operating loss widening to dim outlook. Max. \$3.66/sh. interest forgiveness possible '79. (Sh: 2109T, Book \$d3.46). Intangibles: Loss Res. \$8.85; Taxloss \$9.96; Depr. \$1.45. Assets: \$121M, 21% nonearn; 80% foreclosed. Financing: \$105M debt over \$7.3M negative equity; equity; \$71M bank credit to 8/79 at 6% + contingent inter.

EPS:	Feb.	May	Aug.	Nov.	Year
FY'78	d50ca	d2.16a	d72ca		

a-Incl. 94c asset sale & swap gains in '78. (NON-QUAL TRUST; Self administered)

1 -UNITED RLTY: \$8.13 (URT-ASE). Comment: Buy at 54% below book value for benefits of problem loan solution; Low interest exposure. (Sh: 3610T, Book \$17.61). Intangibles: Loss res. \$1.26. Assets: \$81M, 36% non- & 4% low-earn; 30% forcl.

Mix: 17% GNMA's (pledged), 24% office, 20% apts.
 Financing: \$13M debt is 0.2X \$63M equity.
 Pledged GNMA's to repay banks \$10M.

EPS:	Feb.	May	Aug.	Nov.	Year
1977	18c	19c	20c	20c	77c
1978	20	20a	21a		

a-2c sale gain in May, 2c prepay. in Aug.
 Div.: Aug. qtr. 21c, up 5% to 84c rate.

2 -US BANCORP TR: \$14.13 (UBT-ASE). Comment: LT recovery, good equity base, positive cash flow. Problems down. (Sh: 8401, Book \$17.03) Intang: Loss Res. 59c; Taxloss \$5.24. Assets: \$45M, 8% nonearn; 4% foreclosed. Mix: 65% prop. owned or under construction, most industrial, rest office. Financing: \$30M debt is 2.1X \$14M equity. \$15M bank credit to 2/28/79 at 120% prime.
 EPS/CFS: Aug. Nov. Feb. May Year
 FY'78 4/23c 10/8c 11/27c 48/65ca 53/1.23a
 FY'79 28/44

a-29c loss reserve credit.
 Div.: Resumed w/20c in Aug. (Oregon bank adv.)

2N-US REALTY: \$4.75 (UTY-NYSE). Comment: Buy/hold for long-term recovery; In strong uptrend; reducing mtgs. & increasing property. Insiders buying. (Sh: 3434T, Book \$3.98) Converts: OK for risk income. Intangibles: Loss Res. \$1.93; Depr. \$9.60. Assets: \$88M, 17% non- & 16% low-earn. Mix: 37% mtgs., 63% owned & joint venture property. Financing: \$69M debt is 5.1X \$13.7M equity; \$16M at 125% of prime (lower cash payment).
 EPS/CFS: Mar. June Sept. Dec. Year
 1977 d12/1c 4/17c 8/21c 5/23c 5/62ca
 1978 d 6/7 d5/8 d6/
 a-22c asset sale gains & 16c debenture repur. gains. (NON-QUAL; Cleveland rlt. mgmt.)

2 -VIRGINIA REIT: \$10.00 (VARES-OTC). Comment: Hold/buy for long-term. (Sh: 1251T, Book \$10.02). Intangibles: Loss Res. \$1.12; Depr. \$4.03. Assets: \$36M, 17% foreclosed & nonearn. Mix: 95% property. Financing: \$24M debt (all secured mtgs.) is 1.9X \$12.5M equity. EPS/CFS: Mar. June Sept. Dec. Yr.
 1977 d12/1c 4/17c 8/21c 5/23c 5/62ca
 1978 d 6/7 d5/8 d6/
 a-After 20c mtg. prepayment penalty.
 Div.: Incr. to 80c/yr. rate in Dec. (Self-adm.)

2N-WACHOVIA RLty: \$3.88 (WRI-NYSE). Comment: Spec. on LT recovery & asset disposition; 60% below book. (Sh: 3335T, Book \$9.81). Intangibles: Loss Res. \$3.59; Taxloss \$4.62. Assets: \$91M 52% non- & 8% low-earn; 34% foreclosed. Mix: 47% mtgs., Financing: \$46M debt is 1.4X \$33M equity; \$46M bank debt to 7/79 at prime + contingent.
 EPS: Nov. Feb. May Aug. Year
 FY'78 d18c d28c d18c d10c d74c
 (Seeks NON-REIT POWER; S. Car. bank adv.)

3N-WALTER RLTY: \$4.63 (WALJS-OTC). Comment: Modest potential after fallback; Hold for recovery. (Sh: 1035T, Book \$7.47). Intangibles: Loss Res. \$2.99; Taxloss \$9.71. Assets: \$25M, 40% nonearn; 44% foreclosed; 19% property. Financing: \$14M debt is 1.9X \$7.7M equity. \$1M bank debt to 10/79 at 117% of prime; Euro-debt extended to 10/81.

EPS:	Oct.	Jan.	Apr.	July	Year
FY'78	d33c	d1.17	d40c	+67ca	d1.24a
FY'79	27a				

a-Asset sales: \$1.01 in '78; 42c in Oct.'78.
 (NON-QUAL TRUST; Bldg. mtls. co. adviser)

2 -WASHINGTON REIT: \$21.25 (WRE-ASE). Comment: Buy/hold for income, quality assets, condo potential in apts. (Sh: 1518T, Book \$11.41) Intangibles: Depr. \$6.49. Assets: \$32M, no non-earn. Mix: All property, 98% in Wash. DC area; Financing: \$16M debt is 0.9X \$17M equity. Debt is \$16M mtgs. + \$0.2M converts.
 EPS/CFS: Mar. June Sept. Dec. Year
 1977 38/44c 1.48/1.55a 38/44 48/55 2.72/2.97
 1978 34/38 47/52 38/E43
 a-Incl. \$1.08 prop. sale gains. Div.: Raised to \$1.88/yr. rate in Dec. (Independent)

3 -WELLS FARGO M&E: \$11.88 (WFM-NYSE). Comment: Hold for recovery at 33% below book; 1% prime cuts 3c off qtr.EPS. (Sh: 3919T, Book \$17.60) Intangibles: Loss Res. \$1.42; Depr. 87c. Assets: \$219M, 4% non- & 17% low-earn; 5% foreclosed. Financing: \$143M debt is 2.1X \$6.9M equity. Has \$144M open bank lines backing \$126M comc'l. paper rated A-2. Making new commit.
 EPS: Sept. Dec. Mar. June Year
 FY'78 31ca 39ca 30ca 34ca \$1.34a
 FY'79 42a
 a-Asset sale gains: 24c in '78; 15c in 9/78.
 Div.: \$1.20/yr. rate. (W.Coast bank adv.)

2N-WESTERN MTG: \$3.13 (WMTGS-Bos). Comment: Spec. buy for recovery & benefits of new prop. (Sh: 1003T, Book \$7.77). Intangibles: Loss Res. 76c. Assets: \$19M, 13% non- & 7% low-earn. Financing: \$11M debt 1.4X \$7.8M equity. Earnings: May Q 2c. (FY Feb., Independent mgmt.)

2N-WESTPORT CO: \$2.25 (WSPTS-OTC). Comment: Spec. buy. (Sh: 2388T, Book \$4.22). Converts: Possible tender. Intangibles: Loss Res. \$6.00; Taxloss \$7.16. Assets: \$80M, 48% non- & 16% low-earn; 50% forecl. 16% operating & held for investment. Financing: \$56M debt is 5.6X \$10M equity. \$53M bank debt to 8/79 at 2½-5% or net income w/conting. int. to 8%; Earnings: 27c in Oct.'78 FY w/22c credits. (NON-QUAL; Self-adm.)

REIT STATUS: All trusts listed except those noted qualify as real estate investment trusts and are exempt from Federal income taxes to extent they distribute 90% of income to shareholders. Qualified trusts may use taxloss carryforwards to shelter future profits and rebuild capital. Non-qualified trusts have no dividend distribution required and three stages in transition are shown: VOTING POWER TO END REIT STATUS when a proposal is pending before shareholders to give trustees discretion over whether to continue to qualify; CAN END REIT STATUS, when shareholders have given trustees power to end qualification; and NON-QUAL TRUST, when trustees have ended qualification and the entity operates as a business trust taxed as a corporation. Trustees of these entities generally have made no decision on whether to requalify and investors should not assume they will requalify and pay dividends even if profits are restored. The 1976 Tax Reform Act restricts requalification.